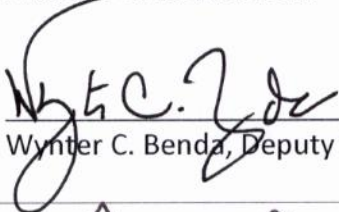


To the Honorable Council
City of Norfolk, Virginia

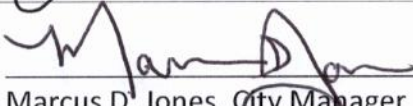
November 10, 2015

From: John Rhamstine, Director, Cultural Facilities
Arts and Entertainment

Subject: Agreement for the Lease of
City-owned Scope Arena to KG Oilers
Corporation

Reviewed: 
Wynter C. Benda, Deputy City Manager

Ward/Superward: 2/6

Approved: 
Marcus D. Jones, City Manager

Item Number:

PH-1

I. Recommendation: Adopt Ordinance

II. Applicant: City of Norfolk

III. Description:

This agenda item is an ordinance approving an agreement with the KG Oilers Corporation (the "Admirals") for the lease of city-owned Scope Arena located at 201 E. Brambleton Avenue. The term of the lease is July 1, 2015 through June 3, 2018. At the end of the 2018 season, the Admirals have the opportunity to extend the term for one (1) additional three (3) year term for the American Hockey League ("AHL") season beginning in 2018.

IV. Analysis

This lease agreement allows the admirals to use the Scope Arena at 201 E. Brambleton Avenue for Admirals Hockey games via the East Coast Hockey League ("ECHL") for an initial three (3) year term commencing July 1, 2015 and terminating on June 30, 2018, unless the parties exercise the option to extend for one additional three (3) year term. No alternative location has been identified.

V. Financial Impact

The Admirals will pay \$1 per year rent to the City. Additionally, game expenses are capped at \$3600 for the first two years and \$3900 for year three. The city will also receive Admissions Tax (FY 2015 - \$172,241.46) and Food & Beverage commission (FY 2015 - \$169,609.47).

VI. Environmental

There are no known environmental issues related to the agreement.

VII. Community Outreach/Notification

Public notification for this agenda item was conducted through the City's agenda notification process.

VIII. Board/Commission Action

By a vote of 7 to 0, the Civic Facilities Commission recommends that the request for an agreement with the Admirals for a term of three (3) years (July 1, 2015 – June 30, 2018) be approved.

IX. Coordination/Outreach

This letter and ordinance have been coordinated with the Department of Cultural Facilities, Arts & Entertainment and the City Attorney's Office.

Supporting Material from the City Attorney's Office:

- Ordinance
- Admirals Agreement

Form and Correctness Approved: 

Contents Approved: 

By Martha P. McGinn
Office of the City Attorney

By _____
DEPT. _____

NORFOLK, VIRGINIA

ORDINANCE No.

AN ORDINANCE APPROVING AN AGREEMENT FOR THE LEASE OF CITY-OWNED SCOPE ARENA, TO KG (US) OILERS CORPORATION FOR PLAYING HOCKEY IN THE ECHL HOCKEY LEAGUE.

- - -

BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That the Agreement attached hereto as Exhibit A, for the lease of Scope Arena between the City of Norfolk, Virginia ("City") KG (US) Oilers Corporation, (the "Admirals"), for the American Hockey League seasons beginning in 2015-2016 through 2018 (the "Agreement"), is hereby approved.

Section 2:- That the proper officers of the City are authorized to do all things necessary and proper to effect the Agreement in accordance with the terms of the Agreement and to negotiate and agree to any other terms consistent with the substantive terms of the Agreement.

Section 3: That this ordinance shall be in effect from after its adoption.

NORFOLK SCOPE LICENSE AGREEMENT

This license agreement ("Agreement") is made this 1st day of October, 2015, by and among the CITY OF NORFOLK ("City"), a municipal corporation of the Commonwealth of Virginia, and KG (US) OILERS CORP. ("OEG" or the "Admirals"), a corporation organized and existing under the laws of the State of Delaware.

WITNESSETH:

In consideration of the foregoing, the mutual covenants herein contained, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I

DEFINITIONS

For purposes of this Agreement, the terms defined in this section shall have the meanings as specified herein whether stated in the plural or singular.

SECTION 1.01 "ADMIRALS" shall mean OEG's ECHL hockey team and franchise.

SECTION 1.02 "ADVERTISING/SPONSORSHIP PLAN" shall mean a plan for each season outlining each party's respective rights and responsibilities with regard to advertising and sponsorships. The plan will be drafted by the Admirals and approved by the Director.

SECTION 1.03 "ECHL" shall mean the ECHL and its successor or successors.

SECTION 1.04 "CAPPED EXPENSES" shall mean those costs associated with Team Events that fall into the expense cap category in event settlement and are generally the responsibility of the City.

SECTION 1.05 "COMPLIMENTARY TICKETS" shall mean tickets provided by OEG to Team Events and Team Special Events at no cost to the recipient.

SECTION 1.06 "DIRECTOR" shall mean the City of Norfolk's Director of Civic Facilities or the City Manager's designee, who shall be the City's representative for administration of this Agreement. City Manager may advise Admirals in writing of an alternate designee.

SECTION 1.07 "FOOD AND BEVERAGE SERVICES" shall mean all food and beverage, including alcohol, services required, appropriate or otherwise used or operated in Scope for any event at Scope, including but without limitation, dining, catering, and food and beverage services, through fixed and portable food and beverage service stands, roving vendors, snack bars, and any other area in Scope, or the outside plaza, from which it is reasonable and appropriate to serve food and beverages, including but not limited to any club or restaurant, exhibit hall, outside plaza and conference and meeting rooms.

SECTION 1.08 "GAME OPERATIONS" shall mean the individual parts of each TEAM and SPECIAL TEAM EVENT that in total make up the operational planning for conducting these events.

SECTION 1.09 "GROSS TICKET REVENUE(S)" shall mean all receipts from the sale of individual game, season, groups or specialized seating of any kind, including box seats as well as Team Facility Fees for Team Events.

SECTION 1.10 "GROSS REVENUES" shall mean all receipts, for all TEAM EVENTS or TEAM SPECIAL EVENTS, from the following:

- a. All GROSS TICKET REVENUES less Admission Taxes (currently 10%);
- b. All net merchandise and net novelties sales, less agreed upon direct costs including, without limitation, product costs and other operating expenses pertaining to merchandise and novelty purchases and sales (excluding programs);
- c. All advertising and signage sales less costs of artwork and production including, but not limited to, scoreboard, ice logos, dasher boards, Zambonis, player boxes, concourse signage, concourse message boards, scoreboard message boards, vomitory signage and other potential advertising and signage sponsors; except as to rights arising out of Article IV;
- d. All net revenues derived from broadcast rights;
- e. All revenues derived from monetary sponsorships including, but not limited to, such items as game sponsors, broadcast sponsors (radio, TV or other), internet or other electronic or media sponsors;
- f. All net revenues derived from video games or other fan amenities that are part of TEAM EVENTS or TEAM SPECIAL EVENTS such as, but not limited to, video games, speed pitch games;
- g. Any revenues from OEG imposing ticket surcharges on Team Events and Team Special Events;
- h. All payments from the City including, but not limited to, food and beverage payments, "Grants" or other cash considerations (both as outlined in 11.01 of this Agreement) and
- i. Other team revenue streams mutually agreed upon.

SECTION 1.11 "NOVELTIES" shall mean merchandise, goods, wares, and publications bearing the symbol, mark, or name of the ECHL, the Admirals, any other ECHL, NHL or other professional team including team pictures or pictures of players or other team personnel but does not include anything depicting, describing or otherwise related to the Scope and/or City.

SECTION 1.12 "NOVELTY STAND(S)" shall be approved by City as to location and form, built, maintained and operated by Admirals selling Admiral and hockey souvenirs and novelties.

SECTION 1.13 "OEG" shall mean KG (US) OILERS CORP. or its successors or assigns.

SECTION 1.14 "SCOPE EVENT" shall mean any event or activity held at Scope except a Team Event or Team Special Event pursuant to authority of the City.

SECTION 1.15 "TEAM LOCKER AREAS" shall mean the Admirals' home locker room area including coach's office and trainer's room, and visitor's locker room. These areas shall only be open to Admirals during preseason, regular season and playoffs or other times as agreed to by the Director. Attached hereto as Exhibit A is a map of Scope showing the Team Locker Areas.

SECTION 1.16 "TEAM EVENT" shall mean any ECHL pre-season, regular season, or playoff game held at Scope with permission of the City.

SECTION 1.17 "TEAM NAME" shall continue to be the NORFOLK ADMIRALS throughout the term of this Agreement and the TEAM NAME shall be used in all team, league, media, advertising, and promotional material printed, publicized or distributed of any kind throughout the term of this Agreement.

SECTION 1.18 "TEAM OFFICE SPACE" shall mean any and all space used and/or occupied by OEG for offices. This shall not include "Team Locker or Storage Areas." The ADMIRALS may choose to have a year round office in SCOPE. All TEAM OFFICE SPACE shall be rent-free. Admirals shall furnish all furniture, office supplies, telephones, copiers, cell phones, computers and all other equipment as needed by the ADMIRALS at ADMIRALS' sole cost. A map outlining the TEAM OFFICE SPACE is attached as Exhibit "A".

SECTION 1.19 "TEAM PRACTICE" shall mean the practice times and dates for the Admirals prior to ECHL regular season games.

SECTION 1.20 "TEAM SPECIAL EVENTS" shall mean any pre-, mid- or post-game activities that are sponsored by the Admirals on TEAM EVENTS days held at Scope, at the request of the OEG that may require additional staffing or other expenses. Typically, these expenses will fall into the "uncapped" expense category and generally be the responsibility of OEG.

SECTION 1.21 "TEAM STORAGE AREAS" shall mean those areas in Scope, which shall be used by Admirals during preseason, regular season, and playoffs for storage. Location of storage and matters to be stored must be approved by Director. A map outlining the TEAM STORAGE AREAS is attached as Exhibit "A".

SECTION 1.22 "TELEVISION PRODUCTION ROOM" shall mean the room in Scope in lower concourse presently designated for television production. Director will approve location, contents and protocol for use. A map identifying same is attached as "Exhibit A". The Television Production Room and all equipment therein shall remain the property of the City if the equipment is provided by the City.

SECTION 1.23 "TEAM TRAINING CAMP" shall mean the specific dates and times at Scope, prior to the beginning of the ECHL regular season, and generally in the month of September and/or October, specifically requested by OEG and agreed to in writing by the City. The sum total of these dates shall not exceed 10 days and may be taken back by the Director should a revenue generating event be available during the same time.

SECTION 1.24 "TEAM WEIGHT ROOM" shall mean the room in lower concourse of Scope designated and presently used for team weight training. Director will approve location, contents and protocol for use. A map identifying same is attached as "Exhibit A".

SECTION 1.25 "UNCAPPED EXPENSES" shall mean those Team Event and Special Team Event expenses that fall outside of the normal game expense cap and will generally be the responsibility of OEG.

SECTION 1.26 "VISITING TEAM PRACTICE" shall mean the opposing team's practice times prior to that day's scheduled ECHL regular season game.

ARTICLE II

TERM OF AGREEMENT AND CERTAIN TERMINATION RIGHTS

SECTION 2.01 TERM. The "term" of this Agreement shall commence on July 1, 2015, and conclude at close of business on June 30, 2018, unless either OEG exercises its option to extend as defined in the following Section 2.02, or the Agreement is terminated pursuant to the terms herein. The "term" may be extended only pursuant to Section 2.02. The "term" shall otherwise end on June 30, 2018.

SECTION 2.02 OPTION TO EXTEND. Either party may extend this Agreement with the agreement of the other party ("Option To Extend") at the end of the 2017-2018 season, including the next ECHL season for one (1) three-year term. This Option To Extend may only be exercised by a party if the Admirals played the full season up to that point and the party seeking to extend the Agreement gives notice to the other party no later than January 1 of the then current season (By way of example to extend past the 2017-2018 season must give notice by January 1, 2018). In the event there is a failure to extend under this provision, the parties will be entitled only to any revenues or other benefits then due and owing under this Agreement. There will be no right to any consequential and/or future credits or damages.

SECTION 2.03 VACATION OF PROPERTY. In the event this Agreement is terminated in accordance with the terms and conditions contained herein OEG shall vacate Scope within sixty (60) days after notice is given. Vacating shall include removal of all Admirals tangible property owned, leased, used, or in any way located at Scope. Should Admirals fail to vacate Scope, City shall have right to remove and dispose of property in which case Admirals shall be responsible for costs of removal. City may also change locks sixty (60) days after notice to vacate is given.

SECTION 2.04 OTHER MAJOR LEAGUE SPORTS FRANCHISE OR COMPETING INTERESTS. In the event a major league sports franchise locates or relocates to Norfolk, whether or not it will require the use of Scope, the parties agree to discuss modifying this Agreement. The Admirals also may terminate the Agreement. The Admirals must exercise the right to terminate by giving the City written notice within the shorter time period of sixty (60) days after announcement or before the beginning of the next regular season schedule. If the announcement is made after an ECHL season is begun then the Admirals will play out the season and will have sixty (60) days after end of regular season to exercise its right to terminate. This right may only be exercised if the major league franchise plays its home schedule in Norfolk. Failure to exercise its right to terminate when permitted to do so will preclude any further right to terminate Agreement for this reason.

ARTICLE III

TEAM USE OF SCOPE

SECTION 3.01 USE FOR TEAM EVENTS. The Admirals agree to play all home Team Events (other than preseason games) during the term of this Agreement in Scope; provided, however, that during each regular season during the term of this Agreement, the Admirals may play one "home" game in Edmonton if requested by the Oilers. It is the intention of the parties that, at a minimum, the gross revenues from these games be allocated to the Gross Revenues for purposes of determining whether the \$2,725,000.00 threshold discussed in Section 11.01 has been reached. The regular season schedule shall be subject to the approval of the Director. Subject to the provisions of the first sentence of this Section 3.01 above, no Home Team Event may be moved out of Scope or be played elsewhere without the written agreement of City and any costs and expense incurred by playing elsewhere shall be the responsibility of OEG, and shall not affect Admirals' continuing obligation to play all Home Team Events at Scope. Net revenues from preseason games taking place in other Hampton Roads facilities will be applied to the revenue cap.

Starting in the 2015-2016 ECHL season, OEG shall submit, no later than November 1 (e.g. November 1, 2015 for the 2016-2017 season) of the preceding ECHL season, a written request for no more than fifty-two (52) dates for the months of the following ECHL season. The Director will then respond, no later than December 15 of the following calendar year, in writing with a list of fifty-two (52) available regular season dates of which at least twenty-five (25) will be on a Friday or Saturday. These 25 dates shall be referred to as "A" List dates.

The City recognizes the importance of weekend dates for the success of the Norfolk Admirals. In recognition of this, in addition to the "A" list dates submitted, the Director shall submit up to seven additional weekend dates. These dates shall be referred to as "B" list dates. At any time following the submission of the "B" list dates, the Director may rescind any or all of those dates for use by the Director for other events or bookings that, in the Director's judgment, may be preferable to contract with. This rescinding of dates is solely at the Director's discretion and may be executed by simple notification to the Norfolk Admirals.

The fifty-two (52) overall dates provided by the Director (with the exception of all "B" list dates) will be held until such time as the ECHL releases its regular season schedule or OEG learn of the

Admirals' regular season schedule and inform the Director. However, in no case will regular season dates be held beyond August 1 of the current year immediately preceding the next ECHL regular season. The Admirals will use all available means to advise the Director concerning the ECHL schedule in as timely manner as possible. At the time the Director is advised of the Admirals' regular season home schedule all unused dates are officially released and City is free to use those dates for other events.

SECTION 3.02 TEAM PRACTICE. City will not charge additional rent for Team Practice for Admirals. Visiting teams may practice for free on the day of TEAM EVENT only. All other visiting team practices are billed at the current rate of \$200 per hour of practice time (with a billing minimum of two hours) or at whatever the prevailing practice rate is at that time. After the regular season home schedule is approved by City, the Director will advise Admirals of scheduling of practice time and will advise Admirals in advance of any scheduling conflicts which will affect practice time. Director may cancel or reschedule practices for any reason if, in his or her opinion, it is in the best interests of the City. The Admirals may not schedule practices for visiting teams but must refer any visiting team practice requests to the Director.

SECTION 3.03 TEAM SPACES. During the Term of this Agreement, the City grants to OEG and Admirals a license to use and access the following spaces during periods as noted inside Scope:

- a. Team Locker (or Dressing) Areas: Current Team locker Areas will be available as shown on Exhibit A during preseason and ECHL hockey season;
- b. Team Storage Spaces 1, 2, and 3: Current Storage Spaces as shown on Exhibit A during preseason and ECHL hockey season.
- c. Team Office Space shall include the existing Admirals' general business office space (Meeting Room Area) plus the office space used by the Oilers coaching staff as shown on Exhibit A.
- d. Television Production Space shall include the current area used for this purpose on the lower concourse outside the meeting room area as set forth on Exhibit "A". This space will also be used by the City for SCOPE Events.
- e. Team Weight Room Space shall include the existing weight room currently located in the basketball storeroom of SCOPE on the lower concourse.
- f. Use of Scope Meeting Rooms and Scope Exhibition Hall will be provided at no rent or fee so long as the City does not have the spaces booked.

No other spaces may be used by Admirals or others including visiting teams without the express approval of Director. Upon reasonable request, any non-used space in Scope may be made available to the Admirals on game days upon approval of Director. Admirals may use such spaces for normal rental fees.

In addition, for certain events upon request by the City, the Admirals will surrender their Team Locker Areas and cooperate in making that space available for other events and participants. Such events may include, but are not limited to, Ringling Brothers and Barnum and Bailey Circus, major concerts or other touring shows and sports tournaments. The City agrees to limit the number of events to six during preseason and ECHL hockey season for which it may require vacation of Team Locker Areas. When using the Team Locker Areas, the City shall be responsible for any damage or loss occurring to Admirals' equipment caused by the use.

The Admirals will be responsible for the security and condition of the Admirals' and visitors' equipment and furnishings and any property in Team Storage Areas, Team Office Space, Team Locker Areas and/or Television Production Space, except as noted in the previous paragraph. The Admirals shall be responsible for any costs in removal and storage of items from these areas as well as any losses from damage, theft or other equipment associated issues. The Admirals will not have to vacate Team Locker Areas, except as noted above. The Team Office Space shall be available to Admirals throughout the term of this Agreement unless otherwise terminated.

The Admirals will vacate permanently the Team Office Space, Team Storage Areas, Television Production Room, Team Weight Room, and the Team Locker Areas, pursuant to and subject to the provisions of SECTION 2.03 at the termination or conclusion of the lease or notice thereof. Admirals will return to condition prior to their use of same.

SECTION 3.04 TEAM SPACES RENOVATION. The Admirals shall be permitted to build out or improve any TEAM OFFICES, TEAM LOCKER ROOMS or TEAM STORAGE AREAS at its sole expense. Such build out(s) shall be contingent upon the Director's written approval of architectural plans submitted by OEG prior to construction. All construction will require OEG to secure (at OEG's sole expense) and comply with all appropriate regulations, licenses, laws and permits. Any such improvements become the property of the City immediately upon completion of construction.

SECTION 3.05 TEAM SPACE MAINTENANCE. All Admirals Team Spaces including offices, weight room area, storage areas, TV production space and dressing rooms will be maintained by OEG. All regular cleaning, carpet cleaning, painting, sweeping, light bulb replacement and other general upkeep of these spaces is the sole responsibility of OEG. The City will maintain basic HVAC and plumbing for these spaces as needed. Building leaks and other long standing infrastructure issues that exist in Scope and will continue to exist in Scope (until such time as any major renovations of the venue take place) are to be deemed irreparable and not subject to City repair or maintenance. Notwithstanding the foregoing, the City will use best efforts to address water leaks and moisture issues that may arise from time to time.

SECTION 3.06 PLAYOFF GAMES. The City and Admirals agree that good attendance at playoff games is a priority and will work together to maximize efforts at achieving that goal. In the event the Admirals are in the playoffs, no home playoff games shall be scheduled without the written approval of the Director. All home playoff games must be played at Scope, unless the Director authorizes otherwise. The costs and expense associated with moving any playoff games so approved by the Director will be the responsibility of the Admirals and will not affect its obligation to play home playoff games at Scope. Permission of Director granted to play at another

facility shall not constitute a waiver of Admirals' obligation to play all home games (preseason, regular season, and playoffs) at Scope. The Director will endeavor to limit conflicts with playoff game scheduling provided, however, it is recognized and agreed by the Admirals that the Admirals must schedule around events that occur during playoff periods. These events include, but may not be limited to, the Virginia Arts Festival International Tattoo and Ringling Brothers Circus, both of which occur annually in mid to late April.

SECTION 3.07 GAME STARTING TIMES. No game shall start unless the game starting time has been approved in writing by the Director. The parties acknowledge that prior scheduled events may require work that causes the hockey game start to be in the evening. No games will start later than 8 p.m. No Sunday games will start earlier than 1 p.m.

SECTION 3.08 GAME RESPONSIBILITIES. At Team Events and Special Team Events, the City will be responsible for furnishing or arranging the following, if necessary: arena, HVAC, ice, ice maintenance, lighting, ushers, ticket sellers, parking staff, emergency medical personnel, engineers, and any other event-related personnel for all normal game activities.

At Team Events and Special Team Events, Admirals will be responsible for furnishing and paying for the following, as necessary: the hockey teams and related personnel, game officials, Admirals will call, official scorers, off-ice game officials, public address announcers, music and/or special event personnel, television production staff, television and scoreboard camera operators, television monitors, scoreboard operators, and radio personnel, promotions staff, program and merchandise salespeople, Zamboni operators and associated ice maintenance staff, stagehands and/or spotlight operators, and other game-related staff.

The Admirals will also be responsible for paying 50% of all Admirals Team Event or 100% of Team Special Event Police invoices. Police will be scheduled by the City but paid through the box office via invoice from OEG or in a methodology to be mutually agreed upon.

In addition, all Team Special Events that add additional time and staffing or other costs to the Team Event will fall under the UNCAPPED expense category and OEG will be solely responsible for all such costs. As an example, should OEG desire to hold a post-game skating party for the players, public or staff, any costs associated with that event will fall under the UNCAPPED expense category and be billable to OEG at settlement.

SECTION 3.09 TRAINING CAMP. The Admirals will advise City of its desired schedule for training camp and preseason games by the preceding March 31st of each regular season. These dates shall be subject to approval of the Director. There will be no rental charge for the use of Scope for the training camp. However, if the Director schedules a SCOPE Event on the same date as hockey camp, the SCOPE Event will take priority. The City shall advise Admirals as soon as possible and offer alternative Scope dates for camp, if available, should such a SCOPE Event be scheduled. If Admirals decide to relocate camp to a location other than Scope, it will be at the sole expense of OEG. Admirals will not be billed, during training camp held at Scope, for normal ice maintenance, security and any other facility-related expenses. Should the Admirals request special or additional personnel or hours of operation, all resulting expenses will be billed to the Admirals.

At no time will the total Training Camp period, exceed fourteen (14) days, either consecutive or otherwise.

SECTION 3.10 OTHER SPORTS COOPERATION. Admirals are aware of the use, actual or potential, of Scope by other professional and amateur sports teams and will cooperate in the joint use by the various teams of Scope and work with those other sports teams and the City to make all tenants' use and events a success.

SECTION 3.11 PARKING. Admirals shall be permitted to have, at no cost, up to sixty (60) parking passes for Scope Parking Garage which shall be obtained from the Division of Parking. Should the SCOPE Garage be full and insufficient parking available for these passes, the passes will be honored at all other City of Norfolk Parking facilities. Forty (40) of the passes will be good only for Team Event nights and Team Practice (day of game) only, all of which must be prescheduled. The remaining twenty (20) passes will be good for the term of the Agreement. All parking passes shall be unreserved and on a first come/first served basis. There are no other parking privileges and all Admirals owners, employees, and team members, unless they have passes, must pay the parking rate as charged. No pass will be honored in any other space except as authorized by the Director. Director may, upon reasonable notice, void passes at end of term or for any good reason. The Admirals agree to meet from time to time with the Division of Parking to work out details for any special parking arrangements needed or to facilitate game operations regarding parking.

SECTION 3.12 CREDENTIALS. Prior to the start of an ECHL regular season, but in no event later than October 1 of every calendar year, Admirals shall provide Director a list of all credentialed work personnel, including front office staff, team players, coaches, trainers, off ice officials, owners, doctors, members of media and press, and other staff issued credentials by Admirals. Failure to provide Director with names may result in denial of entry to Scope. The credentialed Admirals' staff will enter premises at specified entrances only and entry shall be limited to official staff only. Any other credentialed persons shall enter at normal entrances for ticketed customers to Scope on games days and on non-game days shall sign in at Director's office. The production and issuing of all Admirals credentials will be at the sole expense of the Admirals. Drafts of credentials for each season will be presented to the Director for approval, which approval shall not be unreasonably withheld. The Admirals agree to limit the issuing of credentials to only working game personnel and not for use by patrons as entry to Team events or Team Special Events. The Admirals agree that the security at Scope is a priority and agree to comply, without reservation, with all applicable security rules during their occupancy of Scope and during the term of this Agreement.

SECTION 3.13 TEAM USE OF SCOPE FOR OTHER EVENTS. From time to time, the Admirals may wish to promote other events in SCOPE that are not Team Events or Team Special events. Such events may include, but not be limited to, concerts, skating camps, roller hockey events, soccer games or other special events. It is understood that these events do not fall under the terms of this Agreement and the use of SCOPE or other facilities for such events will be negotiated under separate contract and are not part of this Agreement.

ARTICLE IV

ADVERTISING AND PROMOTIONS

SECTION 4.01 ADVERTISING APPROVAL. Any advertising which is exhibited or distributed in Scope is subject to the approval of the Director. This approval applies to content, visual display, number, location and size. Approval will not be unreasonably withheld. Any advertising which is distributed or exhibited without approval may be immediately removed by the City.

SECTION 4.02 ADVERTISING IN SCOPE. Admirals shall be responsible for the sale of certain advertising (Admirals Advertising Contracts) within Scope. The Admirals will submit to the Director prior to the execution of any advertising or signage contracts, an Advertising/Sponsorship Plan for the advertising sales in SCOPE along with potential locations, pricing and sizes. In addition, the City reserves the right to disapprove advertising copy.

With respect to trade advertising, OEG agrees that such trade advertising will not exceed 30% of net advertising revenues. OEG agrees that the Advertising/Sponsorship Plan they submit will be considerate of the aesthetics of the venue and that a limit on the number of advertising and sponsorship areas, both inside the seating bowl and on the concourse, is prudent. The Admirals and the City will agree on an advertising plan, which plan will designate a number of areas for advertising by others.

The revenues and time periods of sales, including the value of other consideration, shall be divided or allocated between City and Admirals, as follows:

First Zamboni 100% (Admirals)	Hockey Season Only
Second Zamboni 50%/50% (Admirals and City)	Hockey Season Only
Ice Logos 100% (Admirals)	Hockey Season only
Player/Penalty Boxes 100% (Admirals)	Hockey Season Only
Dasher Boards 100% (Admirals)	Hockey Season Only
Concourse Static Boards 100% (Admirals)	Year Round
Glass Max 100% (Admirals)	Hockey Season Only
Front of Press box 50%/50%	Hockey Season Only
Banners in Scope 100% (Admirals)	Hockey Season Only

Center-hung scoreboard signage advertising revenues, including: commercial spots; static signage bottom ring; video signage bottom ring; static signage bottom of board; and replay

sponsorship, shall be divided equally (50%/50%); however, OEG shall be entitled to the first \$35,000 annually of such advertising revenues.

Intermission promotions and 70-second time-outs promotions shall be divided equally (50%/50%); however, OEG shall be entitled to the first \$21,500 annually of such revenues.

Notwithstanding anything to the contrary in Section 9.02, Endboard signage advertising revenues, including: commercial spots; static signage (eight); and replay sponsorship, shall be divided equally (50%/50%); however, OEG shall be entitled to the first \$8,000 annually of such advertising revenues.

All Other 50%/50% (OEG & City)

Hockey Season Only

The Admirals agree to cover or remove signage for certain non-TEAM EVENTS or SCOPE Events where an existing sign or other advertisement may be in conflict with a sponsor for that event. For example, should a concert be booked at SCOPE that is sponsored by Pepsi, the City shall have the right to cover the Coke signage in the building during that event. Subject to the foregoing, neither OEG nor their sponsors will be entitled to any relief or financial consideration should this need arise.

SECTION 4.03 ADVERTISING OUTSIDE SCOPE. The Admirals shall be responsible for the production and placement of any advertising pertaining to Team Events and Team Special Events and receive any revenues received from such advertising. Such advertising shall include, but not be limited to, print, radio, internet, television, billboards and other advertising media that may be utilized by OEG for promotion of their events. Outside advertising, for SCOPE Events other than Team Events or Team Special Events, shall be the responsibility of City and City will receive any revenues therefrom.

SECTION 4.04 NAMING RIGHTS. The City shall be responsible for securing and receive any revenues for or derived from the naming rights to Scope or any rooms or portions of SCOPE not specifically mentioned in 4.02.

SECTION 4.05 POURING RIGHTS. The Admirals recognize that pouring rights or product rights and any revenues derived therefrom belong exclusively to the City as they pertain to food and beverage sales. In addition, the City shall have the exclusive right to determine what products are served in SCOPE pertaining to food and beverage.

SECTION 4.06 REMOVAL/DISRUPTION OF ADVERTISING. Any and all displayed advertising shall be removable and City shall have the right to temporarily disrupt, cover and/or otherwise remove any and all advertising, including Admirals advertising, that might interfere with, or be in violation of contracts pertaining to the theatrical production or sponsorship of a Scope Event or otherwise inhibit the successful production of Scope Events that occur during the course of the ECHL season or the rest of the year.

SECTION 4.07 CITY ADVERTISING. The City shall have the right to advertise on the concourse message centers and the scoreboard message center up to ten minutes per Team Event

or Team Special Event of advertising related to City events, third party events in SCOPE or elsewhere, promotions, or other non-hockey related messages at no cost to the City. Such scheduling shall be mutually agreed upon.

In addition, the City will be given a certain number of "Drop Ins" during a TEAM EVENT that can be announced by the PA announcer. The number of such "Drop Ins" shall be mutually agreed upon.

The City shall have the right to use one static panel Endboard on each end for its sole use and any revenues or other benefits derived therefrom belong exclusively to the City. The location of this panel shall be mutually agreed upon. In the event the City does not opt to use such Endboard panels, revenues shall be divided according to Section 4.02.

The Admirals agree to use the "Seven Venues" or current logo for SCOPE in all print, radio, TV and other advertising media during the course of this Agreement at no cost to the City.

SECTION 4.08 PROMOTIONS. No promotions, raffles, give-aways, entertainment and other events taking place before, during and after hockey games (regular season, preseason, exhibition and playoff) shall take place without advance written approval by the Director. This includes not only those promotions done by Admirals, but by any person or entity, including but not limited to, booster and/or fan groups or clubs. The Admirals will refrain from give-aways that may be used as projectiles during or after Team Events or Team Special Events. Admirals shall be responsible for compliance with all applicable statutes, ordinances, regulations and laws with regard to all activities conducted.

SECTION 4.09 DISPLAYS. Any advertising displays erected and/or displayed during the course of the ECHL season or otherwise shall become the property of the City immediately upon erection or display. These include but are not limited to scoreboard panels, dioramas, monitors, banner backings and the like. The Admirals may not remove, mar or otherwise interfere with any such display once installed without the written permission of Director. All advertising fixtures attached to the building shall belong to the City.

SECTION 4.10 OTHER TEAM DISPLAYS. The Admirals agree to reserve some space, both inside the seating bowl and in other areas of SCOPE, for the use of other sports franchises or other tenants of SCOPE. The number and location of these spaces will be mutually agreed to by OEG and the Director and made part of the Advertising and Sponsorship Plan.

SECTION 4.11 HALL OF FAME. The Admirals have an Admirals Hall of Fame that is to be displayed at SCOPE. The location of this display shall be at the sole discretion of the Director and may be relocated for any reason, should the Director so desire. The Admirals recognize that such displays shall be of high quality and not mar or detract from the general architectural scheme of SCOPE.

SECTION 4.12 ADVERTISING BUYBACK. The City reserves the right to "Buyback" the Advertising rights at SCOPE at any time during the course of this Agreement for a price to be the

average of the advertising revenue OEG realized from the previous three seasons in SCOPE plus a cost of living index.

ARTICLE V

FOOD AND BEVERAGE AND CATERING AND OTHER CONCESSIONS

SECTION 5.01 **FOOD AND BEVERAGE AND CATERING.** The terms and conditions regarding the food and beverage concessions and catering at Scope are set forth in a separate Agreement between the City and Ovations, Inc. A copy of the Agreement is attached hereto as Exhibit B.

SECTION 5.02 **SOUVENIR AND NOVELTY CONCESSIONS.** Admirals shall have the exclusive right to sell Admirals, ECHL and NHL merchandise, including Team Event programs. Such merchandise may only be sold at Team Events or Team Special Events, subject to approval by the Director with regard to location, condition and construction of stand, display and type and quality of product. Such approval shall not be unreasonably withheld. The Admirals may not sell any other retail merchandise other than Admirals, ECHL and NHL related merchandise. In no circumstance shall Admirals have more than one stand without Director's approval. The stands shall be moveable, built and maintained by Admirals, for use in the sale of novelties and souvenirs. Admirals may sell other professional sports related merchandise subject to the approval of the Director. The City shall have the right to remove the stands during time when hockey games are not scheduled and will replace stands prior to hockey games. The Admirals shall be solely responsible for the security and safety of its products for sale and the equipment and accessories used in the sale of these concessions. The Admirals shall have the right to use the City Stand which was employed by the previous ownership or erect a new stand at their sole expense.

SECTION 5.03 **GAME OPERATIONS AGREEMENT.** It is understood by OEG and the City that not all nuances of game operations can be addressed in a contract and that from time to time, decisions about game operations will change according to changes in goals and objectives of OEG and the City. With that in mind, the City and OEG agree to enter into a GAME OPERATIONS AGREEMENT at the beginning of each season that will spell out how events are to be managed. This plan will include, but not be limited to, such event areas as box office operations, parking operations, concourse activity operations, pre and post-game operations, crowd control and safety operations, food and beverage operations, team promotion operations, merchandise sales operations, press box operations and other areas that may be deemed appropriate by both the City and OEG. Both parties agree that these operations are fluid and can be changed at any time by mutual agreement.

SECTION 5.04 **OPERATIONS MEETING.** The City and OEG agree to meet weekly during the season and in preparation for the season in order to ensure that the GAME OPERATIONS AGREEMENT is up to date and functioning properly. At these meetings, updates and new event information can be shared and planning for upcoming events by both parties and others can take place. The parties agree that these meetings are mandatory and will be attended by appropriate staff from both the City and OEG as well as other interested parties.

ARTICLE VI

SCOPE FACILITY CONDITION

SECTION 6.01 ICE RINK CONDITION. Admirals are aware of the requirements of the ECHL with regard to ice conditions and the necessary accessories and equipment in order to comply with league requirements and OEG are unaware of any condition that fails to comply with league requirements. The City acknowledges and agrees that the condition of the ice and related equipment and accessories, including but not limited to the ice condition, the ice making equipment, Zambonis, dasher boards and glass, hockey nets, goal umpire boxes, goal lights, horn, public address system, penalty boxes, team boxes, scoreboards, safety nets behind each goal and lighting, must be in compliance with league standards. The Admirals will inform the City of any changes in ECHL policy or other Team Event changes that would require changes to the SCOPE Arena or its physical plant. The City shall be under no obligation to make and/or pay for such changes. However, the City agrees to work cooperatively with the ECHL and OEG to allow such changes to be implemented, providing they fit the character of the SCOPE Arena, that there are sufficient plans submitted to the Director by OEG to complete such changes and providing that OEG agree to pay for such changes.

ARTICLE VII

TEXT DELETED

ARTICLE VIII

COMMUNITY OUTREACH

SECTION 8.01 EVENTS. Admirals agree to sponsor public and community events involving City residents and Admirals players at its expense.

SECTION 8.02 TICKETS. Admirals agree to provide tickets, at no costs, to economically disadvantaged youth to be selected by the City, not to exceed an amount mutually agreed upon. The Admirals shall have the right to select the dates for such tickets, which shall not be included in the limit set forth in Section 9.02.

SECTION 8.03 MENTOR PROGRAM. Admirals agree to have a Sports Management Mentor and Internship Program which shall include minority students.

ARTICLE IX

TICKETS

SECTION 9.01 CITY TICKETS. The Admirals will provide Complimentary Tickets, of a number no less than 0.5%, on average, of the existing seating capacity of Scope, to all Team Events and Team Special Events (to the extent permitted by the ECHL) to the Director at no cost to the

City. The City has sole discretion as to the recipients of Complimentary Tickets, but will use reasonable efforts to limit the use of Complimentary Tickets.

SECTION 9.02 TEAM PERSONNEL. Admirals team or personnel, ECHL personnel, Oilers personnel, members of visiting and home team, media or any guest of Admirals must either have a ticket or credentials to enter Scope for games. Those entering with ticket or credentials will be limited in their access to Scope to only those areas necessary to their attendance or duties at game.

The Admirals agree that not more than the number of tickets customarily determined according to industry standards will be distributed as Complimentary Tickets.

SECTION 9.03 TICKETING. Admirals will be responsible for all ticketing and ticketing-related matters related to season tickets, group sales, club seats, box seats and any other ticketing programs. The City will sell advance, individual and event day tickets only and will do so on the ticketing system that is most beneficial to City in the Director's opinion, which is currently the Ticketmaster system. City will provide the requisite number of ticket sellers to perform such services and will invoice Admirals for such services as part of the individual game settlements pursuant to Article XI.

The City will not be responsible for team credentials, team tickets, team will call tickets, press tickets, off ice officials' tickets, or other special ticketing needs of Admirals or ECHL. The Admirals will provide staff and physical tickets and all such services pertaining to this ticketing subject to limits set forth in Section 9.02. The City reserves the right to institute service charges and other fees to tickets sold at its facilities. A list of current service charges is attached as Exhibit C.

The Admirals may not enter into any ticketing agreement with other ticketing companies to provide outlet sales, internet sales, phone sales or other remote forms of ticketing without the express written consent of the Director.

SECTION 9.04 ADMISSION TAX. Admirals shall pay the City's admission tax on all tickets sold, provided that in calculating such admissions tax, the surcharge portion of each ticket shall be excluded.

SECTION 9.05 CREDIT CARD FEES. Admirals shall pay City the prevailing rate for credit card company charges. Credit Card charges will be part of Uncapped Expenses at all times.

SECTION 9.06 FACILITY FEE. The Admirals may add up to a \$2.00 Facility Fee to the face value of the ticketed price of TEAM EVENT tickets during the course of this Agreement. The City retains the right to, at its discretion, add a Facility Fee to the cost of the Team Event tickets. This fee shall be retained solely by the City. This is a mutually agreed upon fee.

ARTICLE X

(TEXT DELETED)

ARTICLE XI

FINANCIAL TERMS

SECTION 11.01 PAYMENTS TO THE CITY FROM THE ADMIRALS.

a. Rent payments from Admirals to City shall be one dollar a year for (i) the first three (3) years of the Agreement between July 1, 2015 and June 30, 2018 and (ii) if the Option to Extend is exercised, then also for the first renewal term of three (3) years between July 1, 2018 and June 30, 2021.

b. Reimbursement of direct or "Capped" expenses as determined by Director in his opinion (such as ushers, ticket takers, staff for ice, sound, and electrical, etc.), however capped at:

- \$3,400.00 per game for first two years of this Agreement (the 2015-2016 season and the 2016-2017 season);
- \$3,700.00 per game for the third and fourth years of this Agreement (the 2017-2018 season and the 2018-2019 season); and
- \$4,000.00 for the fifth and sixth years of this Agreement (the 2019-2020 and 2020-2021 seasons) All Subsequent years of the agreement shall include a minimum 3% or Federal COLA (whichever is greater) added to the minimum rent for that year.

c. Should circumstances warrant in the Director's sole discretion and/or OEG's request additional services over and above those normally required under this Agreement above ("UNCAPPED expenses") OEG shall pay City 100% reimbursement of expenses incurred. Attached hereto as Exhibit D is a list of present service expense charges. Staffing levels shall be determined by Director.

d. In addition to payments defined elsewhere in this Agreement, OEG shall share Gross Revenues with City on the following basis:

- If Gross Revenues for the applicable term totals less than \$2,725,000.00, the City share is \$0.00;
- The City share shall be 20% of gross revenues from \$2,725,000.00 up to \$3,000,000.00;
- The City share shall be 35% of gross revenues in excess of \$3,000,000.00.
- The City share of gross revenues shall be capped at \$100,000.00 for any contract year where gross revenues are shared.

Payments owed to the City shall be made at end of each season, which will be supplemented by Admirals as a result of any payments received thereafter before the end of the term.

b. The Admirals will receive from the City payment for food and beverage sales for all TEAM EVENTS in the percentages of the City's share of food and beverage sales set forth as follows:

Year 1 2015-2016:	64%
Year 2 2016-2017:	64%
Year 3: 2017-2018	63%
Years 4 through 6 (if Option to Extend is exercised):	62.5%

Food and beverage payments will be remitted to OEG on a monthly basis, one week following the receipt of payment from the City's food and beverage provider. A summary of how that payment was calculated will be included with each payment.

SECTION 11.02 SETTLEMENTS. Following any team event, the City and Admirals shall meet in the Director's office and reconcile, in writing, the individual game receipts and expenses. The Director and a representative of OEG shall date and sign same. The schedule for those settlements shall be mutually agreed upon.

Within thirty (30) days after final regular season, or if Admirals make playoffs after the final playoff game, City and Admirals shall reconcile all Gross Revenues for Team Events and submit a Gross Revenues report to the Director for that season, along with the determined payment amount due to the City. Final payment shall be made no later than 14 days following the reconciliation of these payments described above, or after completion of audit, if audit is requested by City under Section 11.03.

SECTION 11.03 AUDIT. City shall be given copy of the most current Admirals annual report of Gross Revenues. Admirals grant the City the right to, at City expense, examine and audit the books, records and ledgers of OEG for the purpose of confirming OEG's calculation of Gross Revenues as described hereinabove or any other financial issue between the parties. City may withhold payments until satisfactory access is provided.

ARTICLE XII

BROADCASTING RIGHTS AND MONITORS

SECTION 12.01 BROADCASTING RIGHTS. All broadcasting rights to Admirals games in Scope will be the property of OEG. The location of the persons and equipment involved for the execution of such rights shall be approved by the Director.

SECTION 12.02 MONITORS. The Admirals may install monitors and use cameras to broadcast approved game video on the monitors during the games. The location of the monitors and equipment are subject to approval by the City. The monitors presently installed will, upon installation, become the property of the City. All other parts and accessories, including mounting platforms and wiring, pertaining to monitors shall also remain and be owned by the City. Currently, there are thirteen (13) monitors installed in Scope. The City shall allow other tenants

of Scope to use same and Admirals will cooperate in the facilitation of such use. The Admirals will be responsible for the condition, maintenance and repair of the equipment, accessories and facilities associated with the monitors except in such cases as they are damaged by City staff or other tenants.

ARTICLE XIII

INDEMNIFICATION AND INSURANCE

SECTION 13.01 **INDEMNIFICATION.** The Admirals shall defend, indemnify, and save and hold harmless the City and its respective Council, officers, duly authorized agents and employees ("City Indemnitees") from any and all claims of any nature ("Claim") brought against City Indemnitees for personal injury, death, property damage and any other losses, damages, charges or expenses, including attorney fees, caused solely by any act, omission or negligence of OEG, its owners, directors, players, authorized agents and employees in connection with OEG's occupancy, operation, activities or games pursuant to this Agreement unless such Claim is caused by the negligence or willful misconduct of a City Indemnitee..

SECTION 13.02 **INSURANCE.** The Admirals shall maintain during the term of this agreement insurance and three years thereafter of the types and in the amounts described below. Limits of insurance may be provided in single policies or combinations of primary and umbrella, or excess, liability insurance policies. All general liability and automobile liability policies will be written in an "occurrence" form on an approved ISO form for coverage in the Commonwealth of Virginia unless otherwise specifically approved by the City, and the City and its employees will be included as "Additional Insured" on such policies. All insurance policies affected by this Agreement shall be primary and noncontributory to any other insurance or self-insurance maintained by the City. Insurance policies shall provide that OEG will receive at least thirty (30) days written notice in the event of cancellation of, or material change in, any of the policies. If OEG fails to maintain the insurance as set forth in this Agreement, the City shall have the right, but not the obligation, to purchase such insurance at Contractor's expense:

Commercial General Liability Insurance with a limit of not less than \$2,000,000 each occurrence, \$5,000,000 general aggregate;

Workers' Compensation Insurance as required under Virginia Workers' Compensation statutes, and Employers Liability Insurance with a limit of at least \$500,000 per occurrence.

Automobile Liability Insurance with a limit of not less than \$1,000,000 combined single limit; and Property Damage \$100,000 each accident. Such insurance shall cover liability arising from any motor vehicle as defined by Commonwealth of Virginia laws and shall include coverage for owned, hired and non-owned motor vehicles, as well as uninsured and underinsured motorists.

The Admirals shall, no later than thirty days prior to the first team practice prior to the ECHL season, provide to City written evidence of its compliance with regards to coverage and requirements contained herein. The policies shall name KG (US) Oilers Corp., and the City, its Council, its officers, employees, agents and representatives as named insureds as their interest may

appear. All such policies shall contain an endorsement giving the City thirty (30) days' notice in advance of any material alteration or cancellation of said policies. All such policies shall be written by companies authorized to do business in the State of Virginia. Notwithstanding OEG's duty to obtain the insurance required, the City may, at its option and at the request of OEG, arrange for the insurance required and charge OEG for the costs thereof. Failure of City to secure such insurance for Admirals shall not impose any liability upon City to obtain such insurance and such failure shall not operate to waive or invalidate any obligation assumed hereunder by OEG.

ARTICLE XIV

SCOPE UNUSABLE

SECTION 14.01 **PARTIAL DESTRUCTION.** If Scope is partially destroyed by any cause and can be repaired or restored to sufficient condition in a reasonable time so that it does not render the facility unusable, the Agreement remains in full force and effect. The City shall, at its expense, promptly commence repair so as to least affect the schedule of the Admirals. The City will authorize Admirals, at the Admirals' cost, to play in alternative forums, if necessary, until facility is useable.

SECTION 14.02 **TOTAL DESTRUCTION.** If Scope is destroyed by fire or other casualty, and after consulting with Admirals, the City may elect whether to repair or restore Scope or to terminate this Agreement. If City elects to terminate, the Agreement is terminated. If City elects to repair and restore Scope, it shall promptly proceed to repair and restore its condition to its condition prior to the casualty. If necessary, City will authorize Admirals, at Admirals' cost, to play in an alternative forum until Scope is useable.

ARTICLE XV

DEFAULT AND REMEDIES

SECTION 15.01 **DEFAULT AND REMEDIES.** In the event either party shall materially breach, violate or fail to perform any term or provision of this Agreement, the non-breaching party may, upon thirty (30) days written notice thereof, terminate this Agreement, provided however that the defaulting party shall have the right and opportunity to cure the default within said thirty (30) day period, unless the default cannot be cured. In the event the breach, violation or non-performance is not cured within the thirty (30) day period or cannot be cured in that time period, then, this Agreement shall terminate upon the expiration of the thirty (30) day period and the non-breaching party shall thereupon have the right to exercise such additional rights or remedies as they may have at law. This section does not apply as to terminations under Article II. The occurrence of any one of or more of the following events constitutes a default by OEG under this Agreement:

- a. Failure of OEG to pay to the City any rent or other payments due hereunder when due and payable;

b. Failure by OEG to observe or perform in any material respect any condition, covenant, agreement, or provision of this Agreement;

c. The levy upon or under execution or the attachment by legal process of the interest of OEG under this Agreement, or the filing or creation of a lien with respect of such interest, which such levy, attachment, or lien shall not be released, discharged, or bonded against within ninety (90) days from the date of such filing;

d. The Admirals make an assignment for the benefit of creditors, or applies for consents to the appointment of a trustee or receiver for OEG or for a major part of its property;

e. A trustee or receiver is appointed for OEG or for a major part of its property and is not discharged within ninety (90) days after such appointment.

f. Bankruptcy, reorganization, insolvency or liquidation proceedings for relief under any bankruptcy law, or similar law for the relief of debtors, are instituted by or against OEG, and, if instituted against OEG, are allowed against it or are consented to by it or are not dismissed within one hundred eighty (180) days after such institution;

g. Failure to supply City written evidence of insurance required under Section 13.02 and/or notice of cancellation of or material alteration of insurance policy for whatever purpose;

h. The Team Office shall be abandoned, deserted or vacated by OEG even though at such time the Scope may not be then used (due to the time of the year) for regular or playoff games; and

i. The Admirals' ECHL franchise is terminated, transferred, sold, assigned or in any way conveyed without the written approval of City or the franchise is not in good standing with league, or the league ceases or suspends operation in its current form.

SECTION 15.02 ENFORCEMENT. City may enforce the provisions of this Agreement hereunder by a suit or suits in equity or at law for the specific performance of any covenant, provision or agreement herein, or for the enforcement any other appropriate legal or equitable remedy, including recovery of all moneys due or to become due from OEG under any provision of the Agreement.

SECTION 15.03 PAYMENTS DURING DEFAULT. Upon the occurrence of any event which with the giving of notice or the passage of time would constitute a default by OEG, and until such event has been cured by OEG, the City shall be excused from the payment of any amounts which are or may become due to Admirals by City. If such event is subsequently cured, any such amounts not paid by reason of this Section shall be paid without interest.

SECTION 15.04 COURT, COSTS AND ATTORNEYS' FEES. Should there be any legal action filed as a result of or in any way pertaining to this Agreement, venue shall be the Circuit Court of the City of Norfolk, Virginia. In any dispute involving this Agreement or in any effort to enforce the provisions of this Agreement, each party will be responsible for its own costs and expenses, including attorneys' fees.

ARTICLE XVI

MISCELLANEOUS

SECTION 16.01 ANTI-DISCRIMINATION. Admirals shall not discriminate in any manner on the basis of sex, age, disability, race, color, creed or national origin with respect to any applicant or employee, and shall conform in all respects to the pertinent provisions of federal, state or local laws, ordinances, rules and regulations of employment practices. Admirals further agree that in serving the public, its employees shall not, on the grounds of sex, age, disability, race, color, creed, or national origin, discriminate or permit discrimination or refuse to serve a person or a group of persons in any manner prohibited by federal, state or local laws, rules, ordinances and regulations.

SECTION 16.02 GOVERNING LAW; VENUE; TIME OF THE ESSENCE. This Agreement shall be construed under and in accordance with the laws of the State of Virginia. The venue for any action brought hereunder shall be in the Circuit Court of the City of Norfolk, Virginia. Time is of the essence in this Agreement.

SECTION 16.03 ENTIRE AGREEMENT. This Agreement constitutes the final, complete and exclusive written expression of the intents of the parties with respect to the subject matter hereof which will supersede all previous verbal and written communications, representations, agreements, promises or statements.

SECTION 16.04 SEVERABILITY. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, and if such holding does not affect the ability of OEG to perform and have access to Scope as provided for herein, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision was not contained herein.

SECTION 16.05 NOTICES AND ADDRESSES. All notices required to be given under this Agreement shall be given by certified or registered mail, addressed to the proper party to the following addresses, or at such other address as may be subsequently given pursuant to this Section and shall be deemed given when deposited in the U.S. mails, postage prepaid:

CITY OF NORFOLK

City Manager
Mr. Marcus D. Jones
1101 City Hall Building
810 Union Street
Norfolk, VA 23510

KG (US) OILERS CORP.

Bill Scott
Assistant General Manager
Edmonton Oilers
11230 110 St.
Edmonton AB T5G 3H7

Copy to:

CITY OF NORFOLK

City Attorney
Mr. Bernard A. Pishko
900 City Hall Building
810 Union Street
Norfolk, VA 23510

Copy to:

Oilers Entertainment Group
Chief Financial Officer
11230 110 St.
Edmonton AB T5G 3H7

SECTION 16.06 AMENDMENT, MODIFICATION OR ALTERATION. No amendment, modification or alteration of the terms of this Agreement shall be binding unless in writing, dated subsequent to the date hereon and duly executed by the parties herein.

SECTION 16.07 HEADINGS. The titles of articles and sections of this Agreement are for reference purposes only and shall be of no binding effect.

SECTION 16.08 VALID DELAWARE CORPORATION. The Admirals represent that as of the date of execution of this Agreement, it is organized and in good standing under the corporation laws of the State of Delaware, that it is duly authorized to enter into this Agreement and has taken all requisite corporate action to obtain such authorization and that no consent of or notice to any other individual, private or public entity or governmental authority is required in connection with the execution, delivery and performance of the Agreement.

SECTION 16.09 WAIVER. The waiver by either OEG or the City of any default or breach by the other party of any of the provisions of this Agreement shall not be deemed a continuing waiver or waiver of any other breach by the other party of the same or another provision of this Agreement.

SECTION 16.10 IMPROVEMENTS. The Admirals shall make no improvements in the Team Areas or any portion of Scope without the prior written approval of the City.

SECTION 16.11 WASTE OR NUISANCE. The Admirals shall not commit or permit any waste on or about Scope during the term of this Agreement nor shall it maintain, commit, or permit the maintenance or commission of any nuisance on or about Scope or use the Team Areas or Scope for any unlawful purposes.

SECTION 16.12 BINDING EFFECT. The Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 16.13 COMPLIANCE WITH LAWS, ORDINANCES AND REGULATIONS. The Admirals shall comply with all applicable laws, ordinances and regulations with regard to any work, use construction, and operation done or conducted with regard to this Agreement.

SECTION 16.14 ASSIGNMENT. The Admirals may assign this Agreement to the Edmonton Oilers or its successor(s) in interest during any term of this Agreement; provided

however that this Agreement may not be assigned without the prior express approval in writing by the City, such approval shall not be unreasonably withheld.

SECTION 16.15 RIGHTS AND REMEDIES CUMULATIVE. The rights and remedies provided by this Agreement are cumulative and the use of any right or remedy by either party shall not preclude or waive its rights to use any and all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

SECTION 16.16 EXHIBITS. All exhibits attached to this Agreement are incorporated into and are a part of this Agreement as if fully set out herein.

SECTION 16.17 PUBLIC STATEMENTS. Should either party desire or intend to make any public statements and/or releases to the public, the media or otherwise, oral or written, which in any way relates to this Agreement, the parties shall first use all reasonable efforts to issue a joint statement or release. Any party which intends to make a statement or release regarding same shall provide other party a copy of same at least twelve (12) hours prior to releasing the statement or release to the public, the media or any other entity.

SECTION 16.18 NOT JOINT VENTURE. Nothing herein contained shall make or be construed to make the City and OEG, partners or joint venturers, one with another.

SECTION 16.19 COUNCIL APPROVAL. This Agreement is not binding if and until approved by action of Norfolk City Council after proper notice, if any, and then fully executed. The Agreement is also contingent upon termination of the current lease agreement with the NORFOLK ADMIRALS, INC. regarding the Admirals' lease of Scope pursuant to terms acceptable to the City.

SECTION 16.20 GOOD CONDUCT. The Admirals recognize that the conduct, actions and statements of its principals, employees and players both on and off the playing surface reflect upon the reputation and perception of Scope, the City and surrounding areas. The Admirals shall undertake to insure that its principals, employees and players do not act in such a fashion that reflects negatively upon the team, Scope, the City or the surrounding area.

SECTION 16.21 EXISTING CONTRACTS. OEG is aware that several contracts have been entered into by the City and others which involve or affect the operation of SCOPE and the Admirals. OEG agrees to enter this Agreement subject to same and agree to honor those contracts to the extent necessary as long as they remain active.

SECTION 16.22 COMPLIANCE WITH FEDERAL IMMIGRATION LAW. At all times during which any term of this Agreement is in effect, Admirals do not and shall not knowingly employ any unauthorized alien. For purposes of this section, an "unauthorized alien" shall mean any alien who is neither lawfully admitted for permanent residence in the United States nor authorized to be employed by either Title 8, section 1324a of the United States Code or the U.S. Attorney General.

SECTION 16.23 AUTHORIZATION TO TRANSACT BUSINESS IN THE COMMONWEALTH. The Admirals hereby represents that it is organized as a stock or non-stock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership and is authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 or as otherwise required by law.

IN WITNESS WHEREOF, the undersigned on behalf of the City and OEG execute this Agreement as of the day and year first written above.

(SIGNATURE PAGE TO FOLLOW)

CITY OF NORFOLK

By _____
City Manager

ATTEST:

City Clerk

Contents Approved:

Director, Cultural Facilities, Arts & Entertainment

Approved as to Form and Correctness:

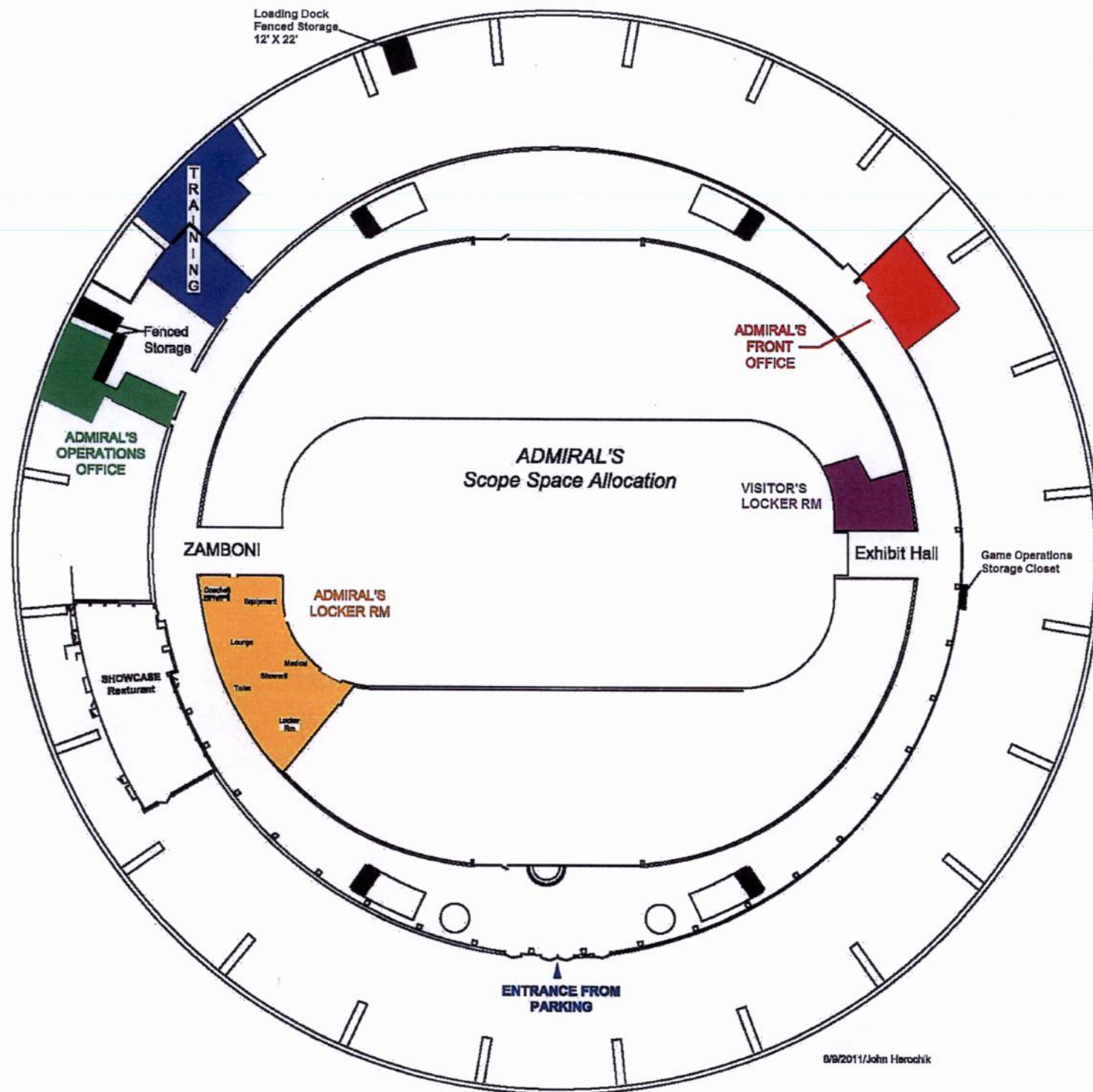
Deputy City Attorney

KG (US) OILERS CORP.

By _____
Authorized Agent

By _____
Authorized Agent

EXHIBIT A



FOOD AND BEVERAGE SERVICES' AGREEMENT

THIS AGREEMENT is made and entered into this day of March, 2008, by and between THE CITY OF NORFOLK, (the "City") and OVATIONS FOOD SERVICES, L.P., ("Ovations"), having its business address at 18228 U. S. Highway 41, Lutz, Florida 33549.

WITNESSETH:

in consideration of the mutual covenants and agreements' contained in this Agreement, it is mutually agreed by and between the City and the Ovations as follows:

1. DEFINITIONS. For the purposes of this Agreement, the following words shall mean:

(a) "The Services" - The provision of food, 'beverages and personnel, necessary for ;the sale and service of foods, beverages, including alcoholic beverages, for catering, restaurant, bais, refreshment stands and some vending machine , such items being: '

(1) foods of all kinds, including but not limited to candies, cooked foods, prepared foods, ready-to-serve foods, sweets, desserts, ice cream and popcorn;

(2) beverages of all kinds, including alcoholic beverages and non-alcoholic beverages, to the extent they may legally be sold now, or hereafter may become legally able to be sold, in accordance with applicable laws, ordinances, rules and regulations;

The Services shall not include the sale of programs, novelties, souvenirs, recordings or ;other similar promotional items and materials, nor include sales and service in City employee assembly rooms at Premises as the rights to sale and service in these areas is retained by the City.

(b) "Premises" - The entire facilities of the SCOPE Cultural and Convention Center located on the property of the City of Norfolk on St. Paul's Boulevard at SCOPE Plaza which includes SCOPE Arena, Chrysler Hall, Little Hall and the Exhibition Hall and is bordered by Charlotte Street, St. Paul's Boulevard, Monticello Avenue, and Brambleton Avenue.

(c) "Director" - The Director of the City of Norfolk Department of Civic Facilities for the City of Norfolk or his designee.

(d) "Branded Products" — means food or beverage products which are advertised, marketed and sold outside the Premises in retail stores to the general public under the same brand name in which the product is offered for sale within the Premises and also includes food and beverages sold in accordance with license agreements, franchise agreements and the like,

(e) "Catering Services" — means eating and dining service at Premises including banquet services and hors d'oeuvres and all food, non-alcoholic beverages and alcoholic beverages (including beer, wine and liquor) served at events at which Oventions contracts with a particular party' or individual requesting said service, including where the menu includes items that must be prepared off-site also including room service, exhibitor service, personnel service and mobile thematic emphasis food service.

Concession Food and Beverage Sales" — means the selling of concession items at Premises as are generally sold at permanent or portable concession stands and walking vendor concession, These items include, but are not limited to, sodas, hotdogs, popcorn, candy (except as listed as Confections), hot and cold sandwiches, potato chips and pretzels, alcoholic beverages (including beer, wine and liquor) and non-alcoholic-beverages.

(g) "Confections" — means Jumbo/King-Sized Candy Bars.

(1) "Restaurant Sales" — means food and beverage sales made at the Showcase Restaurant located at Norfolk Premises,

(i) "Specialty Food and Beverages!" — means food and beverage items not typically offered for sale at concession stands, to be mutually agreed upon by Oventions and the - Director.

"Vending Services", means the sale of food and beverage products, as well as video games and other video amusement devices, through coin or cash operated machines,

excluding sales from souvenir coin stamping Lmachines and postcard vending machines, as such services and devices are specifically agreed in writing between Oventions and the Director. Certain areas of Vending Services, including but not limited to, employee break areas, may be provided by Vending providers other than Oventions.

(k) "Third-Party or Subcontracted Sales" — means sales .conducted by parties engaged by Oventions to sell certain food and drink items and products at the Premises.

(1) "Backstage Catering" — means catering services provided to event staff of any shows performing at the Premises during the course of this Agreement. These services are typically not available to the public.

(m) "Oventions Premises" — means those areas of the Premises designated for Oventions's use, including concession stands, Showcase Restaurant, offices, storage areas and other spaces as outlined on Exhibit A.

(n) "Rent" — means commissions and fees payable by Oventions .to the City during the course of this Agreement.

2'. TERM: This Agreement shall be in effect for a term of six (6) years, beginning March 1, 2008 and expiring June 30, 2014, unless sooner terminated pursuant to Paragraph 24. of this Agreement. The Agreement may be extended for up to five (5) additional one (1) year periods under the same terms and conditions, upon written agreement of the City and Oventions.

3. GRANT AND PREMISES, The City does hereby grant to Oventions and Oventions does hereby accept from the City the exclusive right and obligation to provide food, beverage, catering and related Services 'as defined in this Agreement at Premises for the term of this Agreement; provided, however, that Oventions's right of exclusivity with respect to food and beverage service shall ' not apply to certain events which the City represents have been held at Premises on a recurring basis or, constitute a fund-raising event by a non-profit §501(e)(3) organization. It is further agreed that Oventions's right of exclusivity shall not apply to the foregoing

pre-existing catering arrangements and to those other exceptions referenced in this paragraph. Exceptions shall include, but may not be limited to, Norfolk Admirals' press, staff and VIP catering or their successors, certain Virginia Symphony catered function, Backstage Catering or other events designated by the Director,

On infrequent occasions for some special events such as Castings or religious events, renting of the kitchen facilities by third parties may be required. In such instances, Ovation may charge such third party lessees of the Premises for rental of the kitchen facilities and labor of Ovation staff on duty to ensure proper usage of equipment and may require such lessees to (a) furnish such insurance coverage as may reasonably be requested by Ovation; (b) agree in writing to defend, indemnify and hold Ovation harmless from and against any damage to Ovation's property, the City's property and claims for personal injury or property damage to third parties, which indemnity shall cover all loss, damage, liability, claims, judgments, settlements and expenses (including attorneys' fees); and (c) pay to Ovation a deposit to cover the cost of cleaning the kitchen and food service facilities, which deposit shall be returned to the lessee, provided the kitchen and food service facilities are returned to Ovation in the condition they were in prior food service facilities. It is further understood that notwithstanding the exceptions to exclusivity set forth in this paragraph, in no event will outside caterers or other third parties providing food and non-alcoholic beverage services be permitted to use the kitchen facilities or equipment at Premises. In addition, the parties agree that Ovation may also use Premises food service facilities for off site food functions if such arrangements are approved in writing by the Director. Such arrangements may be subject to restrictions imposed by the Director and may be subject to fees imposed on Ovation by the City for such activities.

The City agrees to and hereby permits Ovation to occupy certain space and areas at the Premises defined as "Ovation Premises" as described on Exhibit A attached hereto for the purpose of Ovation providing services pursuant to this Agreement.

For purposes of this Agreement, "Backstage Catering" services are excluded from the term "Catering Services". Oventions shall have the Tight to subcontract all or part of its Catering Services with the approval of the Director. Such instances will be limited to circumstances involving "Ethnic or Kosher" meal preparation or other situations that Oventions recommends to the

- Director in which subcontracting would be preferable to Oventions providing such services. Under no circumstances will the commissions received by the City for such services be less than the agreed upon commission structure outlined in Paragraph 6, Oventions shall serve in sufficient quantities the catered food and beverages and meet its contracted obligation to lessees. The Director reserves the right to engage third party caterers to provide catering services at the Premises for special events (excluding Backstage Catering) that require third party caterers, Such events may include, but not be limited to, The Virginia Arts Festival, The Virginia Symphony, special cooking demonstrations such as Bobby Flay and other events from time to time. Oventions shall be given the opportunity to bid on such services.

In addition to the Oventions Premises, the City shall permit Oventions to use other portions of the Premises as follows;

(a) Portions of the Premises which would normally be used by a concessionaire for hawking and other similar purposes;

(b) Portions of the SCOPE loading dock area for Oventions deliveries.

(c) Portions of the SCOPE, garage for parking purposes. The number and location of parking passes for full-time Oventions employees will be negotiated by the Director and Oventions, but it is agreed that Oventions shall be provided with not fewer than six (6) such parking spaces free of charge for use by its employees;

(d) Dressing rooms and toilet facilities which are designated by the Director for the use of Oventions employees; and

(e) Other assets owned or leased by the City and designed to be used in connection with the food and beverage operations services at the Premises, including but not limited to all applicable improvements, fixtures, custom built and other equipment, counters, bars and' vending 'machines situated at the Premises, plus areas on the Premises at which the Director authorizes Oventions to, place vending machines.

Oventions shall have possession of the above-noted Premises as necessary for the food and beverage operations services; provided, however, that the City may enter the Premises in a reasonable manner during normal business hours for any reasonable purpose which is necessary in the furtherance of the City's business. Such business may include, but is not limited to, access to electrical panels, plumbing fixtures, other utility spaces and ShoWease Restaurant for non-catered events. The City shall make any such entry only after reasonable prior notice to Oventions, and in a manner and at,a time which minimizes the disruption to Oventions's business,

The City and Oventions acknowledge that it is not always feasible to operate all the food and beverage operations services on a daily basis, but the parties agree that Oventions shall provide such services for a period of time before, during and after scheduled events at the Premises with such operating hours and personnel requirements subject to the approval of the Director or his/her designee. At .no time shall Oventions close, not open or deviate from standard procedures established by the Director without first checking with the Director or his/her designee. Periodically, the Director and Oventions will confer in an effort to agree upon the nature and scope of operation, which is consistent with their respective business interests. Oventions and the City intend that for each day Oventions will provide reasonable and adequate service consistent with the activities at the Premises. The parties agree that food and beverages shall not be offered for sale when there are no scheduled events, exceptas approved by the Director:.

An Oventions representative will attend all meetings required by the Director, Currently, that, consists of the "Operations" meeting, currently scheduled on Wednesdays at 10:00

a.m. This meeting is called to provide information about all events at the Premises. Oventions will be advised if the day and time of such meetings is changed. In addition, the Director shall give Oventions advance notice of the nature of scheduled events and such information as is available regarding the probable attendance at each event. Every effort will be made by the Director to notify Oventions of cancellation of scheduled events of which due notice has been given the City, but the City shall not be liable for failure to advise Oventions of cancellation of events. Further, nothing contained herein shall be interpreted to limit Oventions in taking the initiative to obtain event information from the Director.

4. **QUALITY OF SERVICES/PRODUCT PRICING..** The food and beverage services at Premises shall be first class and comparable to the highest quality services offered at comparable facilities in the Hampton Roads area. The quality, quantity, size, weight, price, brands and manufacturer of all food and beverages sold by Oventions pursuant to this Agreement shall be mutually determined by Oventions and the Director and shall be documented on a comprehensive food and beverages product list provided to the Director. The parties agree that all foods and beverages sold by Oventions at the Premises shall be agreed to by Oventions and the Director in writing. This list (Annual Menu Listing) of all food and beverage items shall be itemized as follows: Concessions Food and Beverages, Branded Products, Specialty Food and Beverage and Confections items and will include the name or type of product, the size or portion and the current price to be charged for the item. This Annual Menu Listing will be in accordance with the commission amounts set forth in Paragraph 6 of this Agreement. The parties further agree that Annual Menu Listing shall be updated in August of each year of this Agreement and any adjustments to the menu or the menu pricing will occur at that time and only with the written approval of the Director. The parties agree that any item which is not otherwise listed on the Annual Menu Listing but is being sold at the Premises will be considered a Concession Food and

Beverage item on which commission is paid pursuant to Paragraph 6 of this Agreement, Prices for all products sold to the public shall be clearly posted.

Ovations shall attempt to satisfy every reasonable request of the Director, provided that, as a matter of general policy, prices shall not be higher than those charged at comparable Hampton Roads area restaurants, bars, snack stand facilities, stadiums, convention centers, and arenas for the same quality products. The City may require Ovations to sell and feature certain brand food and beverages required by advertising agreements between the Operator and a manufacturer made in exchange for location equipment and services, provided the prices therefor and the quality thereof are competitive with similar products.

The Director may require Ovations to offer for sale locally popular food and beverage items at the Premises, if it is determined by the Director that the sale of such products is in the best interest of the City. Such items will be treated as Specialty Food and Beverages and will be competitively priced.

Final decision as to which alcoholic beverages and at what types of events these beverages may be sold shall be made by the Director. If the Virginia Symphony or other users of Premises have donated alcoholic beverages for its catered functions, the City and Ovations agree that such beverages shall be served by Ovations pursuant to its ABC license with Ovations charging and collecting labor and/or corkage fees from the Virginia Symphony.

The City has and will have, during the term of this Agreement and extension periods, the exclusive right to negotiate pouring rights agreements with beverage providers to the Premises, Ovations will work with such providers with respect to any such exclusive agreements. The City will work to ensure such agreements are competitively priced.

If Ovations desires to offer for sale any food and beverages not included on the food and beverages list which has been provided to the Director, Ovations may be allowed to do so after first obtaining written approval of the Director to sell such food and beverages, but in such-case, the

Director must.. approve the maximum price or prices at which said food and beverages may be offered for sale. 'If Ovations desires to substitute any food and beverages on the list, written approval must be obtained from the Director as to the quality, amount; and maximum price.of such substitute food and beverages.

Ovations shall operate and conduct its operations so that all persons who shall patronize the location.shall always be promptly and satisfactorily served. All areas of the Premises shall be kept :clean, orderly and sanitary at all times ,and in accordance with applicable laws, ordinances and regulations. In all concession stands, bar and hustling (hawking) operations, drinks shall be served in cups with the use of sealed covers when appropriate, .All food and beverage items sold by Ovations shall be the highest quality and shall always conform to the requirements of all applicable laws, oldinances.and regulations, All food and beverage items pUrched or acquired by Ovations shall be stored and handled at all times consistent with excellent standards of sanitation, preservation and' purity and also shall be subject to inspection and acceptance or rejection by the Director or histher designee or duly authorized representatives of governmental agencies on the basis of those standards. Leftover, stale or spoiled food and beverages shall not be sold by Ovations. Ovations shall. procure and maintain, at its sole expense, all, licenses and permits required for the operations of food and beverage operations on the Premises, Upon request by Ovations to the Director, the City will use its best efforts to assist Ovations in obtaining such licenses and permits.

The Director shall have the right to reject the character of service by Ovations personnel and require that undesirable service practices be remedied. Failure of Ovations to take appropriate action in.this regard after notification from the Director may result in the cancellation of this Agreement in accordance with the provisions contained in Paragraph 8.

Ovations shall constantly endeavor to improve food and beverage services operations to maximize quality, customer service and gross receipts potential.

5. ADVERTISING, MARKETING AND SIGNAGE. Advertising and signage by Ovation's to advertise either specific areas of Ovation's operations or the company name shall be negotiated by Ovation's with the Director in a separate agreement. Signage opportunities on the Premises are understood to be of significant value and are the subject of other agreements with tenants and vendors. No signage or advertising considerations shall be part of this Agreement,

Signage placed on or around the Ovation's Premises for the purpose of promoting food and beverage sales may be permitted with the approval of the Director.

Ovation's will submit a "Marketing Plan" for the approval of the Director. This Marketing Plan will outline how Ovation's intends to make the public aware of Ovation's Food Service presence on the Premises in an effort to increase awareness and promote sales. The Marketing Plan will be reviewed no less than annually by Ovation's and the Director.

Ovation's shall consider as many marketing possibilities as possible and work in cooperation with City staff to ensure that all opportunities are being investigated. Such marketing opportunities shall include, but not be limited to, restaurant discounts for subscribers and season ticket holders, including notification of special offers or menus in mailings to subscribers and season ticket holders, themed menus for special events such as "Roll Back the Clock Night", "The Lion King", Bobby Flay, or similar events that take place on the Premises,

Ovation's will cooperate with the tenants and vendors who contract with the City to help promote their events and additional ticket sales through the box office. Ovation's will assist the City in negotiating "Pouring Rights" and signage and sponsorship opportunities with vendors such as soft drink providers, food service providers and other beverage providers.

6. FOOD AND BEVERAGE OPERATIONS SERVICES/COMMISSIONS.

The term "gross receipts," as used herein, means all monies paid or payable to Ovation's, excluding gratuities, for food and beverage operations services sales made or services

rendered at or from the Premises or from any other source related directly or indirectly to this Agreement, whether collected or uncollected, whether for cash-or credit, excluding federal, state and local sales, use and 'excise taxes.

Ovations shall -deliver to the Director, or his designee, an "Individual Event Sales Report" no later than 24 hours following each event. The Report will include information about total sales by food and beverage Category, the appropriate commission paid for each, a statement of attendance and a per cap total. The style and detail of the Report will be determined by Ovations and the Direethr. Ovations will then submit a monthly report that -totals all individual sales reports by venue (SCOPE, Chrysler Hall, Little Hall and Exhibition Hall) and ties back to the individual sales reports.

Ovations shall deliver to the Director, by the 20th day of each month, a true and correct Monthly Report statement of Ovations's gross receipts *as* herein defined (based on the Individual Event Sales Reports) during the accounting period preceding such month (which accounting peliod generally consists of successive four or five week periods), and simultaneously with the deliA),ery to -the Director of each such statement, to pay to the City, at the office of the Director, in lieu of any and all other charges, Rent in the following amounts:

(a) Concession Food and Beverage Sales (excluding Specialty Foods, - Branded Products and Confectioⁿs):

- g Forty Percent (40%) of gross receipts on sales from \$0 up to \$1,000,000.00
- Forty-one Percent (41%) of gross receipts on sales from \$1,000,001.00 up to \$1,500,000.00
- E..Forty-two Percent (42%) of grdss receipts on sales over \$1,500,000.00

(b) On Restaurant Sales and Catering Services Fifteen Percent,(15%) of the gross receipts 'from such sales; -

(c) On Branded Product Sales and Specialty Food and Beverage Sales and Confections Thirty-nine Percent (39%) of the gross receipts from such sales; .

(d) On Vending Services, Twenty Percent (20%) of the gross receipts from such sales;

(c) On all Third-Party or subcontracted Sales, Fifty Percent (50%) of the gross receipts received by Oventions from such third parties and subcontractors.

The Director may negotiate special Rent percentages with Oventions to respond to unique needs or program changes,

' In the event City requests that Oventions provide food and beverage service on an "at-cost" price basis, no Rent shall be payable to the City. Requests for other discounted sales by the City for certain events may result in Oventions prorating Rent paid to the City.

Within thirty (30) days after execution of this Agreement, Oventions will submit to the Director for approval: (1) a written policy regarding the provision of food and beverages to Oventions and City staff at cost or deeply discounted during events at the concession areas or the Showcase Restaurant; and (2) a written "Scrip" policy to provide food and beverages to guests at no cost for reward, customer service reasons or other circumstances that may require use of Scrip. Such policies shall include separate accounting systems for meals of Oventions and City staff meals and Scrip on settlement statements. The approval of the Director for such policies shall not be unreasonably withheld.

The City shall at all times have the right to examine books, papers and records of Oventions relative to gross receipts and invoices to support gross receipts, and all aspects of the food and beverage operations services_ at the Premises pursuant to this Agreement. Oventions shall keep all books and records pertaining to the food and beverage operations services at the Premises or in an office in the City. Oventions shall submit other financial statements pertaining to the food and

beverage operations, which may from time-to-time, during the term of the Agreement be required by the City,

7, INDEPENDENT CONTRACTOR. It is understood and agreed by the parties that Ovation is an independent contractor pursuant to this Agreement and that, neither the corporation, nor its employees, agents or representatives, are or shall be considered to be employees of the City for any purpose whatsoever.

8. EMPLOYEES AND ACCESS. All persons employed by Ovation at the Premises in the food and beverage operations services shall be the sole responsibility of Ovation and shall be paid by Ovation. Ovation shall pay all applicable social security, unemployment, workers' compensation and/or other employment taxes or contributions of insurance, and shall comply with all federal and state and local laws and regulations relating to employment generally, minimum wages, social security, unemployment insurance, and workers' compensation.

All employees of Ovation, contractors used by Ovation and all other persons necessary and desirable for use by Ovation in the food and beverage operations services at the Premises shall have reasonable unimpeded, ingress and egress to the Premises, as necessary to conduct their duties prior to, during and for a reasonable time after events, for the purpose of this Agreement including, but not limited to, services for delivery of food and beverages to the Premises, subject to procedures established by the Director. The City reserves the right to deny access to the Premises to any person, including Ovation employees or agents, for good cause as determined by the Director.

Ovation shall be responsible for the actions and any damages that may result from the actions of all Ovation employees, contractors, vendors, delivery staff and other persons needed for the operation of food and beverage services at the Premises.

All Ovation employees shall be trained and supervised and adequate in number to provide services required by this Agreement by Ovation. In addition, Ovation shall employ a

general manager, who is satisfactory to the Director, at all times during the term of this Agreement. If at any time the Director deems the Ovation's general manager or his/her designee unsatisfactory and gives reasonable grounds therefor, Ovation's agrees within thirty (30) days to replace him or her with a general manager who is satisfactory to the Director. The City reserves the right to interview other members of Ovation's staff assigned to the Premises and Ovation's will keep the Director informed of any changes in personnel assigned by Ovation's to the Premises. An organizational chart of the management staff of Ovation's for the conduct of food and beverage operations at the Premises is attached hereto and made a part hereof as Exhibit B, Ovation's will at all times ensure that all positions are filled during the course of this Agreement and will inform the Director if any positions become vacant for whatever reason, Such vacancies will be filled in the most expedient manner possible to ensure top quality service to the patrons and the City.

I. All Ovation's employees shall at all times be neatly and cleanly uniformed at the expense of Ovation's with name badges worn at all times. ID Credentials will be provided by the City at Ovation's expense. Uniforms for Ovation's employees shall be of a design and style that befits quality food and beverage service and subject to approval by the, Director. Accurate records shall be kept of the names and addresses of those to whom such badges are issued to assure proper identification of employees at any time required by the Director or any other proper agency, Ovation's, employee name badges shall include a photo and have the employees name clearly visible as agreed by Ovation's and the Director.

All Ovation's employees shall at all times reflect personal cleanliness and shall not be unshaven, unkempt, or unclean. All Ovation's employees shall at all times be polite and courteous in their interactions with patrons coming to the Premises. Ovation's employees shall not disturb or affect patrons nor interfere with the program or event in progress. In the event of disputes between patrons, other Premises staff and Ovation's personnel, the Director shall be the final determinant of any discipline that may be required, in consultation with Ovation's management staff.

If the Director deems any Ovation employee to be unsuitable pursuant to this Agreement, Ovation shall discipline or dismiss and not reemploy in accordance with applicable laws and regulations relating to employment practices.

Ovation shall train and closely supervise all Ovation employees so that they are aware of and habitually practice the high standards of cleanliness, courtesy, and service required.

The activities of Ovation shall be such as to render service to the public in a dignified manner and no pressure, coercion or persuasion shall be used by Ovation or its employees in an attempt to influence the public to use the food and beverage services of Ovation. Hawking will, be permitted, as approved by the Director. All food and beverages sales shall be conducted and operated under the supervision of the Director and shall in no way interfere with the orderly operation of any event. The sales shall be conducted at the times and from the locations designated by the Director. No Ovation employees will be permitted to circulate throughout the Premises for the sale of any food and beverages, except with the permission of the Director. Neither Ovation nor its employees shall distribute campaign or political literature or any literature of any kind at any time in or on the Premises.

Nothing herein contained shall be held to limit or qualify the right of the City to a free and unobstructed use, occupation, and control of the Premises and ingress and egress for itself, its lessees and the public.

Representatives of the City shall have the right to enter upon and have access to all spaces occupied by Ovation during the time events are in operation and all times when Ovation employees are present at Premises.

The City acknowledges that the continuing employment by Ovation of its general manager at the Premises is critical to Ovation's successful operation of food and beverage services. Accordingly, the City agrees, absent express written permission of Ovation, not to actively solicit or recruit Ovation's general manager for employment in food service facilities operated or to be

operated by City at the Premises for a period of three (3) years following the date of termination or expiration of this Agreement. Nothing herein contained shall be deemed to prevent the City from employing or offering employment to any individual who shall have applied for employment by his or her own initiative, without encouragement, recruitment or solicitation by the City. In addition, the City acknowledges that Ovation's has invested considerable amounts of time and money in training its supervisory employees in the systems, procedures, methods, forms, reports, formulas, computer programs, recipes, menus, plans, techniques and other valuable information which is proprietary and unique to Ovation's manner of conducting its business and that such information is available, on a confidential basis, to the City's supervisory employees. Therefore, the City agrees, absent the express written permission of Ovation's, not to actively solicit or recruit Ovation's supervisory employees to work in any food service facility operated by the City during the Agreement and twelve (12) months following the date of termination or expiration of this Agreement (unless such employees were formerly employees of the City) whether as an individual or as owner, partner, majority stockholder, director, officer or employee of a food service provider. For the purpose of this prohibition, "supervisory employees" shall be defined as those persons who have directly or indirectly performed management or professional services at the Premises at any time during the twelve (12) month period immediately preceding termination or expiration of this Agreement. Nothing herein contained shall be deemed to prevent City from employing or offering employment to any individual who shall have applied for employment by his or her own initiative, without encouragement, recruitment or solicitation by the City.

9. EXTERMINATION SERVICES, Ovation's shall be responsible for providing, at its sole expense, extermination services required to ensure that all areas of the Ovation's Premises are free of all pests, insects and rodents, including, but not limited to, roaches, water bugs, silverfish, ants, mice and rats.

10: PREMISES FOR USE BY OVATIONS. The City agrees to provide to Oventions for use by Oventions, for food and beverage operations and services at the Premises (1) a primary banquet kitchen to service mobile thematic emphasis food areas, (2) a restaurant, which includes adjoining kitchen, bar and storage facilities, (3) office spaces, (4) storage spaces, including but not limited to all storage space previously utilized by the predecessor food service concessionaire, as shown on Exhibit A (5) the four primary concession stands and other areas described in Paragraph 3 and such space for portable units as may be required.

11. CURRENT CITY-OWNED EQUIPMENT, FIXTURES AND FURNISHINGS. Current City-owned equipment, fixtures and furnishings which are located at the Premises as of March 1, 2008, and which are available for use by Oventions pursuant to this Agreement are as listed on the current City-owned Equipment, Fixtures and Furnishings Inventory, , attached hereto as Exhibit C Such current City-owned equipment, fixtures and furnishings are and shall remain the property of the City and the parties agree that this Inventory shall be reviewed, updated and signed by Oventions and the Director on or before March 1st of each year during this Agreement, '

The Oventions Premises and current City-owned Equipment will be delivered to Oventions in clean condition, with all current City-owned Equipment properly maintained and in good working' order. Once Oventions occupies the Oventions Premises and has accepted the Oventions Premises and City-owned equipment, Oventions will assume responsibility for its care and upkeep, at its sole expense. •

12, INVESTMENT BY OVATIONS IN NEW EQUIPMENT, FIXTURES AND FURNISHINGS: Oventions shall invest Three Hundred Thousand Dollars (\$300,000.00) ("investment amount, in new equipment, fixtures and furnishings :for the food and beverage operations and services at the Premises pursuant to this Agreement. The costs of shipping, handling, installation and hook-up of the new equipment, fixtures and furnishings shall be included

in the Three Hundred Thousand Dollars (\$300,000.00) investment amount. The entire Three Hundred Thousand Dollars (\$300,000.00) investment amount shall be expended on or before August 1, 2008, in accordance with an "Investment Plan" submitted by Ovation to the Director for his/her approval. Once the Investment Plan has been approved by the Director, Ovation may proceed to obtain the necessary permits and applications for the proper installation of new equipment, fixtures and furnishings, according to the Investment Plan. The installation of all equipment, fixtures and furnishings shall be made within sixty (60) days after such approvals have been obtained.

The parties agree that the \$300,000 of investment by Ovation in equipment, fixtures and furnishings as approved by the Director in the Investment Plan shall be maintained on a separate inventory and attached hereto as Exhibit D and that this inventory shall be reviewed, updated and signed by Ovation and the Director on or before March 1st of each year during this Agreement. In addition, the parties expressly understand and agree that in the event that this Agreement is terminated for cause prior to June 30, 2014, Ovation will be due the depreciated value of the \$300,000 investment in equipment, furnishings and fixtures at an agreed upon schedule attached to this Agreement as Exhibit E. The depreciation will be calculated on a straight line seven-year schedule. The parties agree that Ovation shall provide copies of invoices for the \$300,000 in new equipment, fixtures and furnishings to the Director so that the expenditure of the required investment amount can be verified and the new equipment, fixtures and furnishings can be added to the inventory of City property from the date of installation or hook-up. It is expressly understood that the entire amount \$300,000 shall be expended for equipment, fixtures and furnishings specifically for food and beverage services. None of this investment amount shall be used for other types of items including, but not limited to, office equipment, telephones or computer systems for offices, cash counting or storage systems or other non-food and beverage operations equipment.

All expenditures of investment amount monies by Oventions for the new equipment, fixtures and furnishings must be approved in writing by the Director, according to the Investment Plan prior to any purchases being made. The new equipment, fixtures and furnishings provided by Oventions shall be of a type and class approved by the Director, in keeping with the general decor of the Premises, and in sufficient quantities to provide proper service to the patrons of the .Premises, All such equipment, fixtures and furnishings shall be new, of modern design and constructed of first-class material and construction,

At any time during the course of this Agreement, the parties may desire additional purchases of equipment, fixtures, and furnishings for the Premises. At any time Oventions or the City may request a meeting to confer to consider the advisability of such purchases and the arrangements :for the purchase of such items. No additional purchases shall be made without the written agreement of Oventions and the City.

In installing and/or constructing all equipment, fixtures and furnishings, for use in the food and beverage operations in the Oventions Premises, Oventions shall, at its own cost and expense, obtain and maintain in effect all necessary or required permits, licenses,,and approvals and shall coriform,with all applicable laws and regulations, including but not limited to, compliance by Oventions with the requirements of the Americans with Disabilities Act in regard to the services which are the subject of this Agreement,

13, OCILITIES, The City shall furnish all electricity, gas, water, and drainage service, but will not supply the labor required to make initial equipment installation of temporary connections, subsequent to the original kitchen installation, reflected in the final design package approved by the parties. Anything herein to the contrary notwithstanding, the City, shall not be liable or responsible for any failure to furnish the services set forth above occasioned by strike or other work stoppage, federal, state,:: or local government action, breakdown, or failure of apparatus, equipment or

machinery employed in supplying the said services, any temporary stoppage for the repair, improvements or enlargement thereof, or any act or condition beyond- its reasonable control.

At the City's expense, the City shall furnish Oventions with 'adequate electrical connections, at and in the Premises to permit Oventions to operate the electrical equipment customarily used in connection with food and beverage operations services on; the Premises. The City shall also pay the cost of electrical current used by Oventions in connection with Oventions's food and beverage operations services at the Premises. Oventions may desire to relocate existing electrical, water, gas or other utilities to improve its operating efficiency. Oventions may relocate such connections at Oventions's sole expense" by submitting a written plan for approval by codes officials and the Director. Such approvals will not be unreasonably withheld.

At the City's expense, the City shall heat and air condition the Premises in a proper manner and shall furnish Oventions at the Premises with an adequate potable hot and cold water supply, appropriate' drainage and sewage facilities to permit Oventions to use the Premises for the purposes of this Agreement

14. OVATIONS-OWNED OFFICE EQUIPMENT AND FURNISHINGS.

Oventions shall furnish its own equipment at its sole expense, for the proper operation of its office spaces. All such Oventions-owned office equipment and furnishings to be used by Oventions in the food and beverage operations and services at the Premises shall be listed on a separate inventory and made part of this Agreement as Exhibit F. Such equipment may include, but not be limited to, office furniture, safes, calculators, computer systems, cash counting equipment, white boards, and telephone systems. All such office equipment and furnishings are and shall remain the property of Oventions.

The parties agree that all Oventions-owned, Office Equipment and Furnishings listed on Inventory (Exhibit F.).shall be reviewed, updated and signed by Oventions and the Director on or before March 1st of each year during the Agreement.

15. STORAGE AND OFFICE SPACE. The City shall furnish to Oventions, without charge, storage' and commissary space for stock and equipment where available and to furnish to Oventions spaces, without charge, for office, money counting, and record keeping purposes, such spaces as shown on the Map, which is Exhibit A to this Agreement.

16. MAINTENANCE, REPAIR, ALTERATIONS, REPLACEMENT, LICENSES, PERMITS, AND APPROVALS: The maintenance, repair, and upkeep, during this Agreement, of all City-owned equipment, fixtures, and furnishings, of all Investment Plan equipment totaling \$300,000 and of all Oventions-owned office equipment and furnishings shall be at the expense of Oventions, except for the maintenance of permanent water, gas, or sewer lines, and electrical service to the Premises which shall be at the expense of the City. Oventions will be responsible for the upkeep and proper care of all work areas and surfaces of the Oventions Premises to include, but not be limited to, counters, ceilings, floors, walls and storage areas. Oventions shall not be obligated to replace any equipment, fixtures or furnishing at its expense, unless replacement of such items is necessitated by Oventions's negligent maintenance, repair and/or upkeep of such items as required under this Section 16. Alterations and replacements of equipment, fixtures and furnishings used in the food and beverage operations services must be approved by the Director.

All replacement equipment such as light bulbs, light covers, within the Oventions Premises shall be the responsibility of Oventions. Lighting fixtures will be the responsibility of the City.

Oventions shall at all times be responsible for maintaining the Oventions Premises to comply with local, state and federal health regulations. Periodic health inspections shall be attended by both Oventions staff and City staff. At no time shall Oventions walk through the Oventions Premises during such an inspection without being accompanied by the Director or his/her designee. Oventions shall be responsible for correcting and paying for any deficiencies found by inspectors in the Oventions Premises, including, but not limited to, cleanliness, temperature settings on

refrigeration equipment of dish machines, functionality of stoves, ovens, refrigeration equipment, sinks and similar equipment.

The City shall repair and maintain the Premises, which shall not include the Oventions Premises, except as outlined in Paragraph 3. The City shall keep and maintain the Premises in such a condition so as to permit Oventions to conduct the food and beverage operations services in an efficient and safe manner. The City's responsibility to repair and maintain the Premises shall include, but is not limited to, ordinary housekeeping and cleaning (except as set forth below), routine maintenance, preventive maintenance, sewage, plumbing, heating, air conditioning, electrical systems, roof and structural repairs which may be necessary from time to time, all in accordance with good business practices. Any damages to or repairs needed to the Premises that are a direct result of the negligence of Oventions will be the responsibility of Oventions for payment within thirty (30) days of billing.

If Oventions desires to use City staff for certain repairs and maintenance, such services and costs may be agreed in writing by Oventions and the Director.

17. CLEANING AND MAINTENANCE. Oventions shall provide its own janitorial services (subject to the approval of the Director) for pickup, cleanup, and disposal of all litter for all areas of the Oventions Premises used by Oventions to conduct the food and beverage operations services including but not limited to the kitchens, restaurant areas and bar areas. Oventions shall also clean and keep service areas free of debris at all times, particularly prior to, during and after events.

Oventions will be responsible for the cleaning and sanitation of all food service production, storage, and service areas including equipment, floors, walls, ceilings, and shelving of the Premises, Oventions will also be responsible for cleaning of table tops, emptying waste receptacles, and other related sanitation functions during events and following each event in the

various food service areas of the Premises. The City will provide dumpsters and dumpster services at the City's expense for use by Ovations.

' All trash generated by Ovations in Ovations Premises shall be transported by Ovations staff to the dumpsters located in the SCOPE loading dock and properly disposed of by Ovations staff., At no time shall Ovations staff place trash, litter, bags of trash or any other form of debris generated from Ovations Premises and/or by Ovations staff onto Premises for removal by City staff. It is Ovations's sole responsibility to properly bag, transport and dispose of trash from Ovations Premises to the proper dumpster.

Ovations shall Maintain, on a continuing basis, the section of the receiving dock where food and beverages are delivered and will be responsible for the return of all pallets, storage containers, lin'ens and other equipment that belong to suppliers used in the food and beverage operations services, All trash and garbage receptacles used by Ovations will be cleaned and sanitized by Ovations to ensure a high standard of sanitation. Grease removal shall be the responsibility of Ovations and shall be handled to avoid collection and spillage. Ovations may not dump grease, oil or other foreign substances into sinks or drains at the Premises, Repairs or damage resulting from: such actions shall be the responsibility of Ovations as will any fines that may levied by third parties as a result of such actions.

Ovations will cooperate with the City to create a "Recycling Program" for use at the Premises to efficiently and economically separate and recycle such materials that can be salvaged for such a purpose. The City and Ovations will formulate this Recycling Program within the first six months of this Agreement.

' Ovations shall keep neat, clean, and maintain in 'a sanitary condition all areas of the 1 Ovations Premises, including production area, storage areas, compactor locations and other refuse disposal areas,, receiving dock, and the surrounding areas used by Ovations.

Ovations shall keep all waste foods and supplies in closed containers until removed from the Premises, Such removal shall be made during and after each event, The City, however, will be responsible for the removal of debris in areas normally considered public areas, *i.e.*, seating areas in the Premises, corridors, except as such areas are used by Ovations for food and beverage operations services.

Ovations will be responsible for all cleaning within the Showcase Restaurant and Showcase kitchen areas including but not limited to, the restaurant's restrooms, bar area, storage spaces and exterior walk ways.. Cleaning is to be inclusive of all floors, walls, ceiling, windows and furnishings. Ovations will be responsible for restocking the restrooms within the Showcase Restaurant with paper tpwels, hand soap, toilet paper and other sanitation and cleaning products.

Ovations shall properly store, remove and pay for the removal of all grease, oil or other cooking or food preparation items that cannot be put into normal trash removal systems.

Ovations shall keep all Ovations Premises, including the Premises spaces within a radius of twenty-five feet of each concessions stand, work area and bar clean and free from all rubbish. Repair fly daMage done to floors, walls, windows, or other property in said radius and in all areas used by Ovations for the food and beverage operations services, will be the responsibility of Ovations.

At the expiration or termination of this Agreement, Ovations shall leave the Premises, City-owned equipment and investment equipment fixtures, furnishings and the Ovations Premises in general in 'at least the same or better condition as it was at the commencement of the Agreement, subject to (i) ordinary wear and tear, (ii) loss or damage occurring without negligence or fault of Ovations, and (iii) damage occurring as a result of fire, flood or other, like unavoidable casualty or occurrence occurring without the negligence of Ovations.

18 COMPLIANCE WITH LAWS, RULES AND REGULATIONS. Ovations shall at all times comply with all applicable federal, state and local laws, rules, regulations in

conducting the food and beverage operations services pursuant to this Agreement and shall at its own expense procure and keep in force during the entire term of this Agreement all permits and licenses required- by applicable laws and regulations. Oventions shall also abide by all reasonable rules, regulatiOns, and directives prescribed for the Premises by the City.

19. PERFORMANCE BOND. Oventions shall furnish and maintain in effect throughout the term of this Agreement at its own expense a performance bond issued by a surety authorized to do business in. the Commonwealth of Virginia which is payable to the City in the amount of Three Hundred Thousand Dollars (\$300,000.00) and is conditioned upon the good and faithful performance of the Agreement in strict conformity to the pertinent terms, specifications, and conditions of the Agreement, a copy of which bond is attached hereto as Exhibit G.

20, INSURANCE. Oventions, at its cost and expense, shall procure and maintain insurance against any and all damage, loss or liability arising or claimed to have arisen from the use, occupancy or operations of Oventions in the Premises or from the sale of any of Oventions food and beverages or the provision of services by Oventions as follows:

(a) For bodily injury or damages, fatal or non-fatal, including product liability insurance coverage, to any one person to the extent of Two Million Dollars (\$2,000,000,00).

(b) For bodily injury or damages, fatal or non-fatal, including product liability insurance coverage, to two or more persons for any one accident to the extent of Two Million Dollars (\$2,000,000.00).

(c) For property damage to the extent of Five Hundred Thousand Dollars (\$500,000.00) each occurrence, 'Five Hundred Thousand Dollars (\$500,000.00) aggregate.

(d) Fire insurance with standard extended coverage provisions and vandalism and malicious mischief endorsements in an amount equal to 100% of the replacement

'value (less physical depreciation) of Ovations-owned equipment and furnishings and City-owned equipment, fixtures, and furnishings.

Ovations agrees to defend, indemnify, and hold harmless the City, its officers, employees, agents And representatives from any and all liability or loss of any nature whatsoever arising out of claims asserted by third parties for personal injury and property damage that may arise from or be related to the negligence or willful misconduct of Ovations or its agents or employees or Ovation's failure to perform its obligations under this Agreement.

Ovations shall provide to the Director certificates of insurance evidencing, insurance coverage required by this Agreement within ten (10) days after execution of this Agreement. All such certificates shall be in form and content satisfactory to the City Attorney, copies of which shall •be submitted to that office for review as requested, and shall name the City, its officers, employees, agents and rePresentatives as additional named insured's. Failure of Ovations to obtain or maintain the required insurance or to provide the required insurance or to provide the required certificates shall be grounds for termination of this Agreement.

Ovations shall, at its own cost and expense, secure Workers' Compensation Insurance for the benefit of each of the persons employed by it in the operation of this Agreement and keep such insurance in force during the term of this Agreement.

All required policies shall be kept in force during the term of the Agreement and the certificates evidencing the insurance coverage shall contain language that the policies are non-cancelable without sixty (60) days prior written notice to the City of Norfolk and the Director of Civic Facilities. '•

All insurance required by this Agreement shall be obtained- from and maintained with a company or companies authorized to do business in the Commonwealth of Virginia,

21. ASSIGNMENT OF AGREEMENT. Ovations shall not attempt to or assign, transfer, sublet, convey, or otherWise dispose of this Agreement or any part therein or its right, title,

or interest therein or its power to execute the same to any other person, firm, partnership, company or corporation without prior written consent of the City.

22. RECORDS AND AUDIT. Ovations shall keep full and complete financial and business records satisfactory to the City of Ovations's food and beverage operations services which are the subject of this Agreement, including original invoices and all food and beverages brought on the Premises and must submit sales statement with settlement for all sums due. No food and beverages shall be brought on the Premises without such invoices. The parties agree that all such records, including Ovations's annual sales tax documents supporting and in reference to the services, which are the subject of this Agreement, shall be provided to the City upon request.

Ovations shall submit a monthly statement of gross receipts to the Director covering the entire preceding month. This statement shall contain information as required and be on forms approved by the Director and signed by the Ovations's executive officer or his authorized representative.

Ovations shall use an inventory system to be approved by the Director to determine sales. Ovations will not permit any of its employees (with the exception of roving vendors) to make change from Pockets of clothing, open cash registers, boxes or containers.

Ovations agrees to use a computerized point of sale system as approved by the Director to show total sales except in mobile thematic emphasis food areas or portable concession stands where the Director may exempt Ovations from the system requirement. Ovations's inventory systems to determine sales must be approved by the City.

Ovations shall establish a commercial account separate from City accounts with a local bank, agreeable to the Director, which shall be exclusively used for all receipts involved with the food and beverage operations services. Ovations shall also provide a copy to the City of a periodic internal audit regarding the operation services which are the subject of this Agreement, if

requested by the City and the parties agree, in addition, that the City has the right to hire an auditor to audit Ovation's operations which are the subject of this Agreement.

23. DEFAULT BY OVATIONS; TERMINATION OF AGREEMENT FOR DEFAULT. In the event that (1) Ovation shall fail to perform, keep and observe any of the terms, covenants, requirements and/or conditions of this Agreement required to be performed, kept or observed by Ovation, or (2) Ovation shall make an assignment for the benefit of creditors, or if a proceeding in bankruptcy, receivership or insolvency shall be instituted by or against Ovation, or if a trustee or receiver shall be appointed for Ovation, the City shall give Ovation written notice of such default. In the event said default is not remedied to the satisfaction and approval of the City within thirty (30) days of receipt of such notice by Ovation, Ovation shall be deemed to be in default and the City, at its option, may terminate the Agreement by so advising Ovation in writing. Upon termination, Ovation shall vacate the Premises and Ovation shall have no right to further operate the food and beverage operations services at the Premises pursuant to this Agreement.

Within forty-eight (48) hours after expiration or termination of this Agreement, Ovation, under the supervision of the Director, shall remove all Ovation-owned moveable assets and Ovation-owned office equipment and furnishings as listed on Exhibit F to this Agreement.

Ovation, in executing this Agreement, agrees that the City shall not be liable to Ovation for damages in any proceeding whatsoever in the event that the City declares Ovation in default hereunder and terminates this Agreement.

Termination of this Agreement by the City in the event of default by Ovation shall be without prejudice to any claims which the City may have against Ovation growing out of Ovation's default under this Agreement. No failure of the City to exercise any right, power or privilege granted by this Agreement or by law shall operate as a waiver thereof, or as a waiver of any other right, power or privilege.

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24. DEFAULT BY THE CITY; TERMINATION OF AGREEMENT FOR

DEFAULT. In the event that (1) the City shall fail to perform, keep and/or observe any of the terms, covenants, requirements and/or conditions of the Agreement required to be performed, kept, or observed by the City, or (2) the City shall make an assignment for the benefit of creditors, or if a proceeding in bankruptcy, receivership or insolvency shall be instituted by or against the City, or if a trustee or receiver shall be appointed for the City, Oventions shall give the City written notice of such default. In the event said default is not remedied to the satisfaction and approval of Oventions within thirty (30)-days of receipt of such notice by the City, the City shall be deemed to be in default of the AgreeMent and Oventions, at its option, may terminate by so advising the City in writing. Upon termination, Oventions shall vacate the Premises and Oventions shall have no obligation to further operate the food and beverage operations services pursuant to this Agreement.

Within forty-eight (48) hours after expiration or termination of this Agreement, Oventions, under the supervision of the Director, shall remove all Oventions-owned moveable assets and office equipment and furnishings as listed on Exhibit F to this Agreement.

Termination of this Agreement by Oventions in the event of default by the City shall be without prejudice to any claims which Oventions may have against the City growing out of the City's default under this Agreement, No failure of Oventions to exercise any right, power or privilege granted by this Agreement or by law shall operate as a waiver thereof, or as a waiver of any other right, power or privilege.

25. NON-DISCRIMINATION. Oventions shall not discriminate against any employee or applicant for employment because of race, color, age, sex, religion or national origin. Oventions will take affirmative action to ensure that applicants are employed, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training;

including apprenticeship. Oventions shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by Oventions setting forth the provisions of this non-discrimination clause. Oventions shall, in all, solicitations or advertisements for employees placed by or on behalf of Oventions; state that all qualified applicants will receive consideration for employment without regard to race, color, age, sex, religion or national origin.

264 ETHICS IN PUBLIC CONTRACTING. Oventions agrees to comply with Norfolk City Code §§33.1-86 through 33.1-93 and the additional statutes set forth in City Code §33.1-86 in reference to ethics in public contracting.

27. DESTRUCTION OF PREMISES. In the event that the Premises or any part of the Premises shall be destroyed and shall be rendered untenable by fire, 'flood, explosion or other casualty, and the City fails to rebuild, repair or reopen the same for business within six months after the happening of said fire or other casualty, then and in said event, Oventions may'at its option (but shall not be obligated) to terminate this Agreement.

The City shall not be responsible for any Oventions goods or food and beverages stored at the Premises, nor will it be responsible for any damages incurred by Oventions resulting from power failure, fire, flood, explosion or other casualty.

28. CONSENTS AND APPROVALS. In each instance where the consent or approval of Oventions or the City is required pursuant to this Agreement, such consent or approval shall not be unreasonably withheld or delayed.

29. NOTICES. All notices, requests, demands, or other communications under this Agreement shall be in writing and shall be deemed to have been given ,if hand delivered or mailed certified-mail, return receipt requested:

(a) If to the City:	Director, Dept. of Civic Facilities P. O. Bok 1808 Norfolk, VA 23501
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WO a copy to: City Attorney 900
City Hall, 810
Union Street
Norfolk, VA 23510

(b) If to Ovations Mr. Ken Young, President Ovations Food
Services, L.P., -2-44-C-taLcierre-
Ekmlivyrtirdr2a gO3N437ij/ 4"€T Lutz,
FL 33'548 33,3-q

All notices delivered by hand shall be effective upon delivery and all notices mailed registered mail, return receipt requested shall be effective when received, as indicated on the return receipt.

Either party may notify the other of a change of address by giving written notice in accordance with the foregoing provision.

33. COMPLETENESS. This Agreement and the Exhibits attached hereto set forth the entire understanding of the City and Ovations and relating to the subject matter referred to herein and no representations or warranties are made by Ovations or the City, except as set forth herein. Ovations and the City each represent to the other that it has full and complete power and authority to execute this Agreement, and that this Agreement constitutes a valid and binding obligation of Ovations and the City, respectively, enforceable in accordance with its terms,

3L PARAGRAPHS. All references to paragraphs refer to paragraphs of this Agreement, unless otherwise stated,

32. AMENDMENTS AND SUPPLEMENTS. Ovations and the City may amend, modify, supplement or waive any provisions of this Agreement in such manner as may be agreed upon in a written instrument executed by Ovations and the City.

33. APPLICABLE LAW AND VENUE. This Agreement is governed by and is to be interpreted pursuant to the laws of the Commonwealth of Virginia, Venue shall be in the Circuit Court Of the City of Norfolk, Virginia.

34. ' GENERAL. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument,

35, HEADINGS. The headings used herein have been inserted for convenience only and do no constitute matters to be considered in interpreting this Agreement.

36, NO WAIVER. No waiver of any breach of any of the terms of this Agreement shall be construed, taken or held to be a waiver of any other breach or waiver, acquiescence in or consent to any further or succeeding breach of the same term. To be effective, any such waiver must be in writing signed by the party whose right is waived and received by the party in breach.

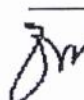
37, SEVERABILITY. If any term or provision of this Agreement shall to any extent be held,invalid or unenforceable, the remaining terms .and provisions of.this Agreement shall not be affected thereby, and each remaining term and provision of this Agreement shall be valid and, enforced to the fullest extent permitted by law.

IN 'WITNESS WHEREOF, Ovations and the City have duly executed this Agreement.

CITY OF NORFOLK

B y : \ M a n g e r

ATTEST:

 City Clerk

64/106/Ce

CONTENTS APPROVED;
Director, Department of Civic Facilities

• 1' -2-a (V/02

'714'p7ORM AND CORRECTNESS APPROVED:
Deputy City Attorney

OVATIONS FOOD SERVICES, L.P.

8. Kenneth J. Young

EXHIBIT C

Seven Venues
Ticketmaster Fees & Rebates
Effective 7/1/15

Year 9 & 10 (7/1/15 - 6/30/17)

Ticket Price	SC to Customer	Rebates to us
Service Charges		
<\$10	\$ 2.50	\$ 1.13
\$10 - \$19.99	4.75	2.14
\$20 - \$50	8.25	3.71
>\$50	9.25	4.16
TicketFast Fee		
Order Processing Fee	3.05	
Mailed Order		
Will Call		1.50
Kiosk Purchase Fee	2.00	



City of Norfolk

Department of Cultural Facilities, Arts & Entertainment

October 7, 2014

Mr. Ken Young, President
Ovations Food Services
18228 US HWY 41 North
Lutz, FL 33549

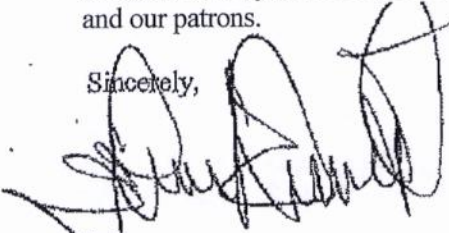
Dear Ken:

This letter will formally exercise the first of five possible one year options between the City of Norfolk and Ovations Food Services for food and beverage operations at Scope and Chrysler Hall.

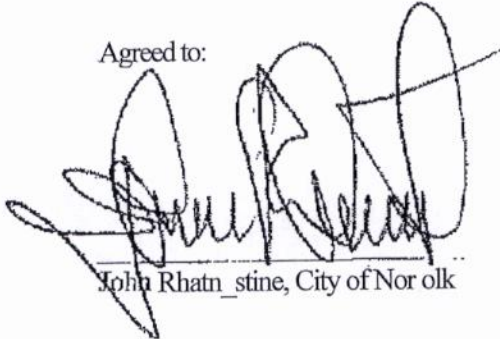
The term will be July 1, 2014 -- June 30, 2015.

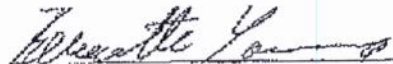
I want to thank you and Ovations for providing us with high quality products and services for our clients and our patrons.

Sincerely,


John Rhamstine,
Director
Sev Venues

Agreed to:


John Rhamstine, City of Norfolk


Ken Young, Ovations Food Services



City of Norfolk

Department of Cultural Facilities, Arts & Entertainment

March 20, 2015

Mr. Ken Young, President
Ovations Food Services
18228 US HWY 41 North
Lutz, FL 33549

Dear Ken:

This letter will formally exercise the second of five possible one year options between the City of Norfolk and Ovations Food Services for food and beverage operations at Scope and Chrysler Hall.

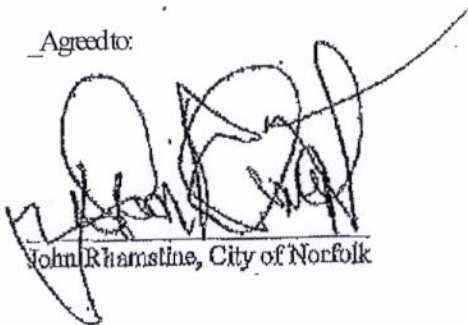
The term will be July 1, 2015 — June 30, 2016.

I want to thank you and Ovations for providing us with high quality products and services for our clients and our patrons.

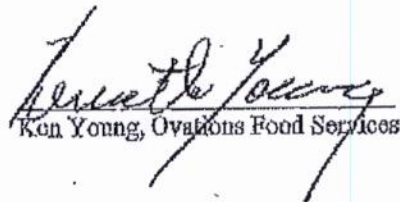
Sincerely,

John Ithamstine,
CFR Director
Seve.a Venues

Agreed to:



John Ithamstine, City of Norfolk



Ken Young, Ovations Food Services

CITY OF NORFOLK, DEPARTMENT OF CULTURAL FACILITIES, ARTS & ENTERTAINMENT
PRELIMINARY EVENT ESTIMATE

EVENT NAME: _____ EVENT DATE: _____

EVENT LOCATION: _____ EVENT TIME: _____

*This is not a contract.

** Please note: A 10% Admission Tax will be computed on the gross ticket sales. Event expenses will then be deducted at the following rates:

I. RENT:

II. BOX OFFICE:

III. CREDIT CARD FEES:

N/A

TOTAL: \$0.00

STAFFING: Minimum 4 hours

IV. USHERING/CROWD CONTROL:

Supervisor:	0 ea. g	0 hrs @ \$17.00/hr	\$0.00
Elevator Operator	0 ea. @	0 hrs @ \$11.79/hr	\$0.00
Pass Gate Attendant	0 ea. @	0 hrs @ \$11.79/hr	\$0.00
Ticket Taker	0 ea. @	0 hrs @ \$11.79/hr	\$0.00
Ushers	0 ea. @	0 hrs @ \$11.79/hr	\$0.00
Door Attendant-event	0 ea. @	0 hrs @ \$11.79/hr	\$0.00
Guest Services	0 ea. ©	0 hrs @ \$12.66/hr	\$0.00
TOTAL:			\$0.00

SECURITY: Minimum 4 hours

V. "T-SHIRT" SECURITY

Guard-CH Patio	0 ea.	0 hrs @ \$12.66/hr	\$0.00
Guard-Backstage	0 ea.	0 hrs @ \$12.66/hr	\$0.00
Guard - Front of Stage	0 ea. ©	0 hrs @ \$12.66/hr	\$0.00
Overnight Guard	0 ea. @	0 hrs @ \$14.55/hr	\$0.00
Bag Checks	0 ea. @	0 hrs @ \$12.66/hr	\$0.00
Loading Dock Attendant:	0 ea.	0 hrs @ \$12.66/hr	\$0.00
Supervisor	0 ea. @	0 hrs @ \$17.00/hr	\$0.00
Guard - VIP Lounge	0 ea.	0 hrs @ \$12.66/hr	\$0.00
Selden Arcade - Top Guard Security	0 ea.	0 hrs @ \$ 15.40/hr	\$0.00
TOTAL:			\$0.00

VI. STAGE TECHNICIANS:

Minimum 4 hours

Stagehand	IN	0 ea. @	0 hrs @ \$16.86/hr	\$0.00
	SHOW	0 ea. e	0 hrs @ \$16.86/hr	\$0.00
	OUT	0 ea. g	0 hrs @ \$16.86/hr	\$0.00
	OUT	0 ea. @	0 hrs @ \$25.29/hr (OT)	\$0.00
Wardrobe	IN	0 ea. @	0 hrs @ \$18.51/hr	\$0.00
	SHOW	0 ea. @	0 hrs @ \$18.51/hr	\$0.00
	OUT	0 ea. @	0 hrs @ \$18.51/hr	\$0.00
	OUT	0 ea. @	0 hrs @ \$27.77/hr (OT)	\$0.00
Hairdresser	IN	0 ea. ©	G hrs @ \$21.08/hr	\$0.00
	SHOW	0 ea. ©	0 hrs @ \$21.08/hr	\$0.00
	OUT	0 ea. g	0 hrs @ \$21.08/hr	\$0.00
	OUT	0 ea. @	0 hrs @ \$31.62/hr (OT)	\$0.00
Electrician	IN	0 ea. @	0 hrs @ \$23.23/hr	\$0.00
	SHOW	0 ea. g	0 hrs @ \$23.23/hr	\$0.00
	OUT	0 ea. @	0 hrs @ \$23.23/hr	\$0.00
	OUT	0 ea. @	0 hrs @ \$34.85/hr (OT)	\$0.00
SoundNideo	IN	0 ea. @	0 hrs @ \$21.81/hr	\$0.00
	SHOW	0 ea. @	0 hrs @ \$21.81/hr	\$0.00
	OUT	0 ea. @	0 hrs @ \$21.81/hr	\$0.00
	OUT	0 ea. @	0 hrs @ \$32.72/hr (OT)	\$0.00
Hyman	IN	0 ea. Q	0 hrs @ \$26.17/hr	\$0.00
	SHOW	0 ea. @	0 hrs @ \$26.17/hr	\$0.00
	OUT	0 ea. @	0 hrs @ \$26.17/hr	\$0.00
	OUT	0 ea. @	0 hrs @ \$39.26/hr (OT)	\$0.00
Up Rigger	IN	0 ea. e	0 hrs @ \$40.89/hr	\$0.00
	SHOW	0 ea. @	0 hrs @ \$40.89/hr	\$0.00
	OUT	0 ea. ©	0 hrs @ \$40.89/hr	\$0.00
	OUT	0 ea. g	0 hrs @ \$61.34/hr (OT)	\$0.00
Down Rigger	IN	0 ea. ©	0 hrs @ \$36.34/hr	\$0.00
	SHOW	0 ea. e	0 hrs @ \$36.34/hr	\$0.00
	OUT	0 ea. @	0 hrs @ \$36.34/hr	\$0.00
	OUT	0 ea. @	0 hrs @ \$54.51/hr (OT)	\$0.00
Spot Operator	IN	0 ea. ©	0 hrs @ \$18.51/hr	\$0.00
	SHOW	0 ea. g	0 hrs @ \$18.51/hr	\$0.00
	OUT	0 ea. @	0 hrs @ \$18.51/hr	\$0.00
	OUT	0 ea. ©	0 hrs @ \$27.77/hr (OT)	\$0.00
Steward/Crew Chief	IN	0 ea. @	0 hrs @ \$26.17/hr	\$0.00
	SHOW	0 ea. @,	0 hrs @ \$26.17/hr	\$0.00
	OUT	0 ea. @	0 hrs @ \$26.17/hr	\$0.00
	OUT	0 ea. g	0 hrs @ \$39.26/hr (OT)	\$0.00
Carpenter/Pusher/Laundry	IN	0 ea. @,	0 hrs @ \$16.86/hr	\$0.00
	SHOW	0 ea. @	0 hrs @ \$16.86/hr	\$0.00
	OUT	0 ea. @	0 hrs @ \$16.86/hr	\$0.00
	OUT	0 ea. @	0 hrs @ \$25.29/hr (OT)	\$0.00

Selden Arcade Clean-up Fee	0 Event days @ \$350/day	\$0.00
Sound System	0 ea. © 0 days @ \$400/day	\$0.00
PA System-Ex. Hall/Mtg. Rm	0 ea. @ 0 days @ \$50/day	\$0.00
Podium	0 ea. © 0 days @ \$50/day	\$0.00
Grand Piano	0 ea. @ 0 days @ \$200/day	\$0.00
Upright Piano	0 ea. © 0 days @ \$75/day	\$0.00
House Lighting Package	0 ea. @ 0 days @ \$250/day	\$0.00
Piano Tuning	0 ea. © \$125/piano	\$0.00
Wireless Microphone	0 ea. @ 0 days @ \$75/day	\$0.00
Batteries for Microphone	0 ea. @ \$3.50 ea.	\$0.00
Portable Sound System	0 ea. @ 0 days @ \$500/day	\$0.00
CD Player	0 ea. @ 0 days @ \$40/day	\$0.00
Slide Projector	0 ea, © 0 days @ \$35/day	\$0.00
Overhead Projector	0 ea. @ 0 days @ \$35/day	\$0.00
Projector Screen	0 ea. @ 0 days @ \$35/day	\$0.00
Movie Projector - Attucks Theatre	0 ea, @ 0 days @ \$35/day	\$0.00
Movie Screen - Attucks Theatre	0 ea. g 0 days @ \$35/day	\$0.00
VCR/TV/DVD	0 ea. @ 0 days @ \$75/day	\$0.00
Non-skirted banquet tables	0 ea. @ 0 days @ \$2.50/day	\$0.00
Chrysler Hall backstage tables/chairs	0 ea. @ 0 days @ \$25.00 fee/day	\$0.00
Chairs	0 ea. @ 0 days @ \$0.75/day 25 or more chairs	\$0.00
Round non-skirted tables	0 ea. @ 0 days @ \$2.50/day	\$0.00
Skirted banquet tables	0 ea. @ 0 days @ \$7.50/day	\$0.00
Pipe & Drape	0 feet @ 0 days @ \$3.00/ft	\$0.00
Barricade	0 ea @ 0 days @ \$500.00/day	\$0.00
Bike Rack	0 ea @ 0 days @ \$5.00/day	\$0.00
Rope & Stanchion	0 feet @ 0 days @ \$3.00/ft	\$0.00
4' x 4' stage decking	0 ea. @ 0 days @ \$8.00/day (max. \$500)	\$0.00
4' x 8' risers	0 ea. @ 0 days @ \$8.00/day	\$0.00
Moving furniture off Dress Circle	0 ea. @ \$75 for 40 -100 people	\$0.00
	0 ea. @ \$150 for over 100 people	\$0.00

Dance Floor	0 ea. @	0 days @ \$250,00/day	\$0.00
Spotlights (w/o Operator)	0 ea. @	0 show use @ \$75/use	\$0.00
Easel Rental	0 ea. @	0 days @ \$2/day	\$0.00
Genie Lift	0 ea. @	0 days @ \$125/day	\$0.00
House Forklift (Driver additional)	0 es. @	0 days @ \$150 in	\$0.00
	0 ea. @.	0 days @ \$150 out	\$0.00
Washer/Dryer	0 ea. @	0 days @ \$50/day	\$0.00
Gaffers Tape	0 ea. @	\$15/roll	\$0.00
Xerox Copies	0 ea. @	.20 ea,	\$0.00
House Telephone Lines**	0 ea. @	\$200 ea. installation	\$0.00
High Speed Internet	0 ea. @	\$150 per run	\$0.00

** House lines are "Dial 9" local calls only. Limited availability. For Long Distance service contact VERIZON at 757-667-5000 or 757-954-6222

110V/20AM P	0 ea. @	0 days @ \$12/day	\$0.00
220V/20AM P	0 ea. @	0 days @ \$12/day	\$0.00
440V/50 AMP	0 ea. @	0 days @ \$20/day	\$0.00
Extension Cords	0 ea. @	0 days @ \$5/day	\$0.00
Water Hook-Up	0 ea. @	0 days @ \$10/day	\$0.00
Compressed Air	0 ea. @	0 days @ \$10/day	\$0.00
Generator	0 ea. @	0 days @ \$75/day	\$0.00
Transformer	0 ea. @	0 days @ \$50/day	\$0.00

TOTAL: \$0.00

VIII. CATERING

TBD

IX. RUNNERS

Runners	0 ea. @	0 days @ \$225/day	\$0.00
Van Rental	0 ea. @	0 days @ \$150/day	\$0.00

TOTAL: \$0.00

X. OTHER EXPENDITURES

Minimum 4 hours

Message Board Operator	0 ea. @	0 game @ \$65/game	\$0.00
Scoreboard Operator	0 ea, @	0 game @ \$65/game	\$0.00
Scorekeeper	0 ea. @	0 game @ \$65/game	\$0.00
Zamboni Operator	0 ea. @	0 game @ \$65/game	\$0.00
Time Clock Operator	0 ea. @	0 game @ \$65/game	\$0.00

TOTAL: \$0.00

19.5% Administrative Fee:

TOTAL: \$0.00

ESTIMATED TOTAL:

\$0.00

THIS IS AN ESTIMATE BASED ON INITIAL INFORMATION PROVIDED BY SHOW PROMOTER, IT DOES NOT INCLUDE: ADMISSION TAX, ADVERTISING FEES, GROUP SALES FEE, CREDIT CARDS FEES, EXCESS COMPLIMENTARY TICKET FEES, CATERING, ELECTRICAL/WATER HOOKUPS, SPECIAL EQUIPMENT, OR ADDITIONAL STAFFING OR SERVICES THAT MAY BECOME NECESSARY TO PRODUCE THE EVENT. RATES ARE SUBJECT TO CHANGE.

Prepared By:

DCFAE

Date:

Approved By:

Client

Date:
